

CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Approve City of Lodi Fire Department Paramedic Business Plan

MEETING DATE: September 18, 2002

PREPARED BY: Michael Pretz

RECOMMENDED ACTION: That the City Council approve the Lodi Fire Department Paramedic Business Plan as presented.

BACKGROUND INFORMATION: Council is being asked to approve the Ambulance Transportation Proposal allowing the City of Lodi to provide paramedic services to the community and implement an emergency transportation program.

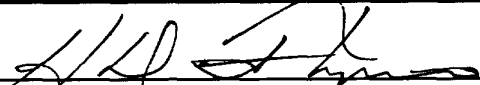
As Council will recall, the paramedic issue has been a subject of Council discussion since 1995. Council has had many opportunities to discuss response times, number of ambulances in the City of Lodi, quality of care, and the fire department's role in this program. In August of 2000, Council requested the fire department evaluate the costs associated with establishing paramedic services within the fire department. In January 2002, fire department staff presented four (4) options for Council to consideration. Staff was directed to return with refined cost and revenue estimates and to evaluate partnerships with private providers. In July 2002, fire department staff presented Council with the refined options and was directed to return to Council with a "Business Plan" incorporating emergency medical transportation as an element of the paramedic program.

During the July meeting, fire department staff provided Council with a description of the current state of Emergency Medical Services in the City of Lodi. Since 1995, the City of Lodi has experienced an 11.9% increase in population, a 35% increase in ambulance response time, a 72% increase in call volume, and a varying number of ambulances in the City.

Council also reviewed information provided by the Reason Public Policy Institute, addressing "high performance" EMS systems. Eighty percent of the cities illustrated in high performance systems utilized fire department paramedics to do the bulk of the work. Moreover, 50% of the largest 200 cities in the nation utilize fire based EMS systems, 22% utilize a combination fire-based/private partnership, and the remaining 28% use private commercial providers.

The City of Lodi Fire Department Paramedic Business Plan (Ambulance Transportation Program) is a comprehensive look at establishing a paramedic program within the fire department with an emergency medical transportation component. The business plan covers projected fire department costs over a three year build-out. In addition, a 5-year revenue projection from two separate companies is included. The

APPROVED: _____


H. Dixon Flynn -- City Manager

CITY OF LODI

COUNCIL COMMUNICATION

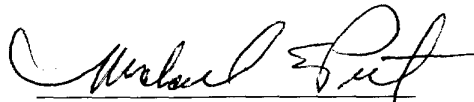
revenue projections assume the City will provide 30% - 100% of the service. However, there are revenue projections for lesser call volume included in this report.

In addition, the report includes an additional revenue source known as a subscription plan. The subscription plan is modeled after a highly successful program in Huntington Beach, California and Eugene/Springfield, Oregon. The essential elements of this program demonstrate that for a nominal voluntary fee, a subscriber would not incur any out of pocket expenses for utilizing City of Lodi ambulances. With the exception of Medicare patients, most insurance programs only cover 80% of the cost of ambulance services. That remaining 20% is the responsibility of the patient. This program would cover those expenses even for patients with no insurance. Subscribers could pay for the program with their utility bills. Details of this program were forwarded to Council in a memo, dated August 29, 2002.

The key elements of this program call for an incremental approach to providing paramedic services. One (1) ambulance and six (6) paramedics will be hired the first year of the program. A second ambulance and six (6) paramedics will be hired the second year of the program with a third ambulance purchased in the third year and the last three (3) paramedics hired. Billing for emergency medical transportation will be handled by a third party.

Revenue generated by the transportation program and from the subscriber program is sufficient to cover all the costs associated with the program. Revenue and cost projections are detailed in the proposal.

FUNDING: Funding will be developed for the 2003-2005 budget cycle.



Michael E. Pretz
Fire Chief

Vicky McAthie
Finance Director

APPROVED: _____
H. Dixon Flynn -- City Manager

LODI FIRE DEPARTMENT



**Emergency Medical Services
Ambulance Transportation Proposal**

LODI FIRE DEPARTMENT



Emergency Medical Services Mission Statement

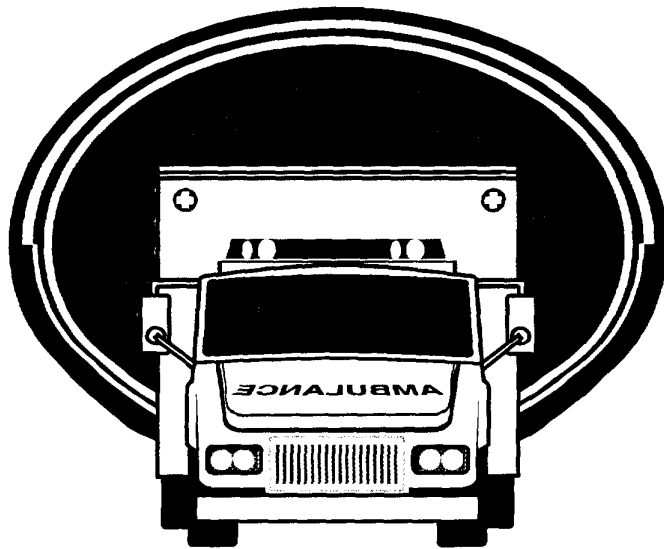
The mission of the Lodi Fire Department Emergency Medical Services (EMS) Division is to provide the citizens of Lodi a complete pre-hospital emergency medical care program, which includes ambulance transportation. The program will provide a rapid response, on-scene patient treatment, and transportation to the nearest medical facility. The proposed EMS program will ensure continuity, consistent EMS resource deployment, and all the while ensuring quality patient care. A fully integrated fire-based EMS program delivers an enhanced level of EMS response and patient care. Under the guidance and policies of the City of Lodi, our citizens will benefit from the teamwork provided by a unified command structure.

Opening Statement

The Lodi Fire Department (LFD) currently provides fire suppression, basic life support (BLS), and first response services to the citizens of Lodi.

With City Council support and approval the fire department will purchase the appropriate equipment, and hire qualified personnel provide an enhanced level of Emergency Medical Services (EMS), which includes transportation services to the City of Lodi and the surrounding fire districts. The City of Lodi is in San Joaquin County Ambulance Zone 4, which is detailed in **Appendix A**. Our proposed EMS transportation program will provide a much higher level of service than is currently provided to the residents of the greater Lodi area. The proposed EMS transportation program will meet, and or exceed, the required standards established by the San Joaquin County EMS Agency.

Our proposed EMS transportation program will be fiscally operated as an enterprise fund, and would not be an ongoing burden to the City General Fund. The operating cost associated with providing the EMS transportation program to the community will be supported by service charges to those who utilize the service. Considering the current emergency ambulance transportation needs of the community, it is estimated that the program will generate approximately \$1,054,255 in gross charges. Based upon current billing industry methodology the program will collect approximately \$701,790 in annual revenue. In our proposal, we will demonstrate how the proposed revenues will clearly offset the anticipated expenditures, while providing the citizens of Lodi with enhanced EMS services.



Executive Summary

The Lodi Fire Department currently provides basic emergency medical service first response to the citizens of Lodi. For many months the fire department management staff has shown continuing concern regarding extended ambulance response times, and low ambulance staffing resources for the citizens of Lodi. At Council's direction, fire department management staff began to investigate various options for ensuring efficient and quality EMS service delivery to the community. After careful consideration and Council direction, the fire department management staff was asked to develop a business plan with LFD providing emergency ambulance transportation to the citizens of Lodi. The proposed EMS program, which will include a transportation component, is designed to ensure the patient receives quality care and the continuity afforded by a single service provider.

By incorporating an emergency medical transportation program into the existing fire department services, the citizens of Lodi will realize a higher level of efficiency through a reduction in ambulance response times, consistent on-scene patient care, and transportation to the closest medical facility. The citizens of Lodi will also realize an enhanced level of effectiveness through a cross-trained multi-tasked fire department. In addition, the fire department will be in a position to eliminate duplicated services by incorporating administrative duties for both Fire and EMS services under one command. Therefore, it is recommended the City of Lodi implement emergency medical transportation into the Lodi Fire Department operations at the earliest possible opportunity.

Under our current San Joaquin County EMS system in Zone 4, there is one (1) commercial ambulance provider who is solely responsible for emergency 9-1-1 transportation services. The current provider operates a maximum of three (3) Advanced Life Support (ALS) ambulances during most times of the day. Although there are three ambulances assigned, they **are not** solely dedicated to the 9-1-1 emergency system. Unfortunately, there are many times when the one or more of the so-called dedicated ambulances have been utilized to perform non-emergency functions. It is during these times, when the community has reduced ALS ambulance resources that our citizens are at risk of extended response times. This means the fire department is faced with continuing to provide BLS treatment, while waiting for an ambulance to be dispatched from another county EMS zone. If the Lodi Fire Department was equipped to provide ALS intervention, and immediate transport, it could be the deciding factor on saving the life of one of our citizens. Just imagine how you would feel if it was

one of your family members we were trying to save? What kind of EMS system would you prefer, one that is managed and supported within the community, or outside the community? I believe this whole issue begs the question of why the City of Lodi has its own police and fire, rather than depending on San Joaquin County to provide the service? I believe it is an issue of local control, and an expectation of immediate response and accountability. With these fundamental concepts in mind, we feel the community of Lodi deserves an EMS system that is efficient, professional, and subject to the needs and desires of the Citizens. If this community were receiving the above-described level of service, I would not feel it necessary to present this program.

Our current commercial ambulance provider does not, and has not, been meeting the expected service levels required for public safety for various reasons. The commercial ambulance provider has:

- Eliminated dedicated 9-1-1 ambulances for financial reasons.
- Continued to allow our EMS zone drop to a low ambulance status without adding immediate resources.
- Have placed ambulances out of service due to employees that have become sick or injured on duty.
- Pulled 9-1-1 ambulances out of the system to support non-emergency activities.

The American Heart Association (AHA) and the American Red Cross have established specific guidelines for the amount of time the brain can survive without oxygen, as is the case in sudden cardiac arrest. The established guidelines require that Basic Life Support (BLS) measures begin in four (4) minutes and Advanced Life Support (ALS) care is initiated within eight (8) minutes. The chances of survival diminish drastically after eight (8) minutes. San Joaquin County has adopted the eight (8) minute standard response time for arrival of an ambulance.

The Lodi Fire Department has conducted a response time study based on years 1995 to 2001 using data reported to the San Joaquin County EMS Agency by American Medical Response (AMR) and the Stockton Fire Department's Computer Aided Dispatch (CAD) system. The data shows the current commercial ambulance provider has experienced an increase in response times and at the same time has reduced the number of ambulances serving the Lodi area.

For these very important and significant reasons, the LFD has developed a "complete" pre-hospital Emergency Medical Services (EMS) program that includes the transportation of patients. Our proposed program will meet and/or exceed the needs of a 9-1-1 emergency response for our community. The LFD feels strongly that we can and will provide a dedicated 9-1-1 emergency

ambulance transportation service greater than that of our current commercial provider including timelier response periods.

Fire-based 9-1-1 emergency ambulance transportation systems have many advantages. The resource level is based on patient care while ensuring that public safety needs are not compromised by "for-profit" motives. To meet the established response time guidelines, an efficient number of dedicated 9-1-1 ambulances must be strategically located in the community at all times. This concept forms the basis of our design.

A Fire-based 9-1-1 ambulance transportation systems has the ability to immediately staff additional reserve ambulances in emergency situations, such as, Multi Casualty Incident's (MCI's) and Weapons of Mass Destruction (WMD) occurrences. Current commercial ambulance providers are historically unable to place additional ambulances in service during times of low status. Based on a fire departments daily staffing levels for suppression companies, additional ambulances can be immediately placed into service during these emergency types of situations.

Our proposed EMS program includes the implementation of two (2) fire-based ambulances; each staffed with two (2) firefighter paramedics. These units will be strategically located in current fire stations throughout our community. Through strategic deployment we can provide more efficient compliance with the nationally recognized eight (8) minute response time over ninety-five (95) percent of the time. These resources will be available twenty-four (24) hours a day and will be solely dedicated to the 9-1-1 EMS system in all areas of the San Joaquin County Ambulance Zone 4. The program as designed, and fully implemented, will necessitate the hiring of seventeen (17) additional fire personnel.

The capabilities of cross-trained firefighting personnel will serve to enhance the LFD fire suppression abilities, provide greater patient care, and will result in a lower cost to our community. With four (4) current first responder engine/truck companies strategically located throughout our community, BLS care will be available on scene within four (4) minutes. In addition, the fifth company will return to Fire Station #1 (downtown) in 2003/2004.

This EMS proposal provides a detailed list of the additional personnel, equipment and training needs to accomplish this vision. The costs for these services will be offset by the recovery of user fees from ambulance transportation. The system will be designed so that all costs associated with this program will be directed into an Enterprise Fund eliminating any direct impact to the City's General Fund. This program as designed, will allow the City of Lodi to capture, and fully utilize the ambulance transportation user fees within our community, rather than being received by an out-of-state for-profit corporation. Our current commercial provider, American Medical Response (AMR), is a subsidiary of Laidlaw Inc.; Toronto, Canada, with USA headquarters located in Aurora, Colorado.

Fire based 9-1-1 transportation has been successful in numerous other communities in California. Several examples of which are detailed in this report. Each of these communities recovers costs without an impact to their respective General Funds.

This report provides you with two (2) revenue projections, each of which are based on LFD EMS call volume, AMR reported call volume, local payer mix, and current San Joaquin County ambulance rates. For example, the average ambulance bill today is \$483.35 for BLS calls and \$661.45 for an ALS call. Average actual payments are estimated to be \$348.64 per call, when you consider recognition of non-paying calls. These collected fees, which will be billed to patients and/or their insurance carriers, will be utilized to pay for our staffing and equipment requirements.

In addition, staff is developing a subscription service program that would eliminate out of pocket expenses for members. The program sets a nominal annual fee. Revenues generated from fees are used to offset program costs and can be adjusted by Council.

The following summary is a breakdown of all projected costs needed for implementation of a 9-1-1 fire based emergency ambulance transportation system. These costs reflect the first year expenses to place one ambulance in service.

Summary Year 1

The following analysis will demonstrate the identified cost associated with placing one ambulance in service, and projecting a daily average of five (5) calls for service. The first year personnel allocation will include six (6) paramedics, one (1) EMS Coordinator, and one (1) clerical position, which is further described as:

Personnel Cost	Units	Amount
Paramedics	6	\$ 426,996.00
EMS Coordinator	1	\$ 78,500.00
Clerk	1	\$ 45,495.00
Total		\$ 550,991.00

In addition to the capital expenses, which will be described later in this section, there are additional operating costs associated with placing an ambulance in service. The following analysis will describe the fuel, maintenance, and ambulance permit costs for the first unit. Additionally, there will be medical supply costs associated with properly stocking the ambulance to meet county protocols, and re-stocking the ambulance after each call for materials used for

patient care. The analysis also provides for the cost of oxygen for patient care. The operation costs are further described as follows:

Operating Expenditures	Units	Amount
Fuel	1	\$ 5,248.00
Maintenance	1	\$ 5,485.00
Ambulance Permits	1	\$ 480.00
Medical Supplies	1	\$ 19,226.00
Oxygen	1	\$ 1,013.00
Cell Phone	1	\$ 240.00
Total		\$ 31,692.00

By providing ambulance based services, the City of Lodi Fire Department will be able to seek reimbursement for the cost of providing the service. The first year of service is anticipated to provide annual revenue of \$701,790.68. Due to the complexity of ambulance medical billing, we are proposing to out-source the billing services. The ambulance billing industry suggests an average service cost of 7% of net receivables collected. The anticipated billing cost is as follows:

Out-Source Expenditures	Receivables	Billing Fee
Billing Cost @ 7%	\$ 701,790.68	\$ 49,125.35
Total		\$ 49,125.35

The capital cost associated with placing the ambulance in service will comprise of items that are based on a one-time investment. The capital costs are further described as follows:

Capital Expenditures	Units	Amount
Ambulances	1	\$ 111,347.00
Personal Protective Equip.	6	\$ 10,800.00
Office Supplies		\$ 5,829.00
Station Equipment		\$ 2,600.00
Uniforms		\$ 1,800.00
Total		\$ 132,376.00

First Year Summary

The following table illustrates a one (1) year cost and revenue projection. A more detailed analysis of multiple year projections will be provided later in this report.

Program Summary	Amount
Revenue	\$ 701,790.68
Expenditures	\$ 764,184.35
Total	\$ (62,393.67)

The following departments report success with a fire-based 9-1-1 emergency ambulance transportation system. Their initial revenue receipts have exceeded expectations and all operate without the use of General Fund monies. Many of the departments have been providing this service for over ten (10) years.

San Francisco Fire Department

Annual transport volume: 63,000. Gross charges \$26.5 million, net collections of \$15.3 million. Net collection rate of 57%. SFFD offsets approximately 60% of paramedic service costs. Contact: Division Chief Ron Louie, (415) 561-5904.

City of Sacramento Fire Department

Annual transport volume: 26,000. Gross charges \$16.1 million, net collections of \$9.3 million. Net collection rate of 57%. \$7.4 million in fire department cost. Contact: Deputy Chief Rod Chong, (916) 264-7368.

City of Berkeley Fire Department

Annual transport volume: 6,500. Gross charges \$3.5 million, net collections of \$1.9 million. Net collection rate of 54%. BFD offsets approximately 67%-75% of fire department costs. Contact: Ann-Margaret Moyer (510) 644-6595.

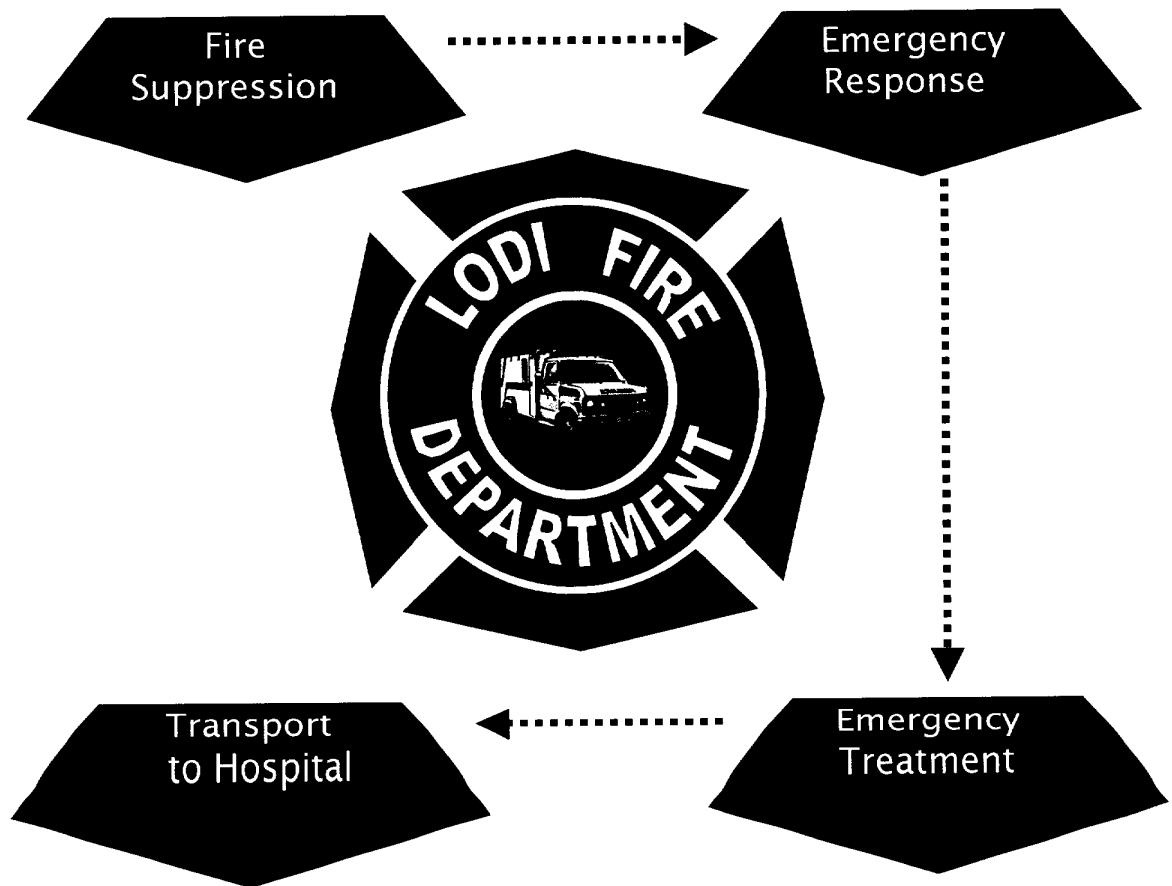
San Rafael Fire Department

Annual transport volume: 2,700. Gross charges \$2.1 million, net collections of \$1.5 million. Net collection rate of 71%. The paramedic program is self-sufficient and does not rely on general fund revenues. Contact: Chief Robert Marcucci, (415) 485-3304.

Conclusion

- The City of Lodi wants to provide 9-1-1 emergency ambulance transportation services that are exclusively dedicated to the local area (Zone 4) served by our 9-1-1 system.
- Through the LFD, the City of Lodi can provide faster, more efficient and less expensive ambulance service to the citizens of our community.
- The City of Lodi, not commercial ambulance providers, must be able to mandate the level of service to our community.
- Through the LFD, the City of Lodi has the ability to staff reserve ambulances with on-duty firefighters during peak periods or during disaster conditions. The current commercial ambulance providers do not have this ability.
- Existing commercial ambulance provider will continue to operate in the City of Lodi. The immediate implementation of one (1) fire department operated ambulance is to protect the citizens of Lodi and add to the stability of the system.
- Upon approval of the City Council and San Joaquin County EMS agency, the implementation of our program for 9-1-1 emergency ambulance transportation will begin by placing one (1) ambulance in service as soon as possible. The adding of additional ambulance units will be staggered in the event our current commercial ambulance provider shuts down any units, or is unable to cover current ambulance districts. This schedule will conclude when two (2) transport units are in place. A third ambulance will be purchased and used as a reserve vehicle. However, this vehicle can be placed into service when necessary.
- The City of Lodi wants private commercial ambulance providers available to provide all non-emergency ambulance services for the community and as back up to the 9-1-1 system as needed.

System Design



System Design Objectives

This list of objectives will allow the City of Lodi Fire Department (LFD) to implement ALS fire based transport services. Through a multi-step transition, the LFD will provide most ALS response and emergency 9-1-1 patient transportations. The following objectives need to be met prior to implementation:

- The LFD will secure all necessary authorization from the California Emergency Medical Services Authority (CEMSA) and the San Joaquin County Emergency Medical Services Agency (SJEMSA) to provide emergency 9-1-1 patient transportation services.
- The LFD will develop EMS Response and Transport Operating Procedures. Quality Assurance programs will be planned, developed and implemented. This program will follow the established standards of the Commission on Accreditation of Ambulance Services (CAAS).
- The LFD will hire seventeen (17) additional personnel to include fifteen (15) firefighter/paramedics over the next three (3) years.
- The City of Lodi will secure the needed apparatus, equipment and capital improvements from current and prospective vendors to provide emergency 9-1-1 patient transportation.
- The City of Lodi will assume responsibility for EMS billing. This function will be contracted to an experienced third-party billing provider. The City of Lodi will prepare a Request for Proposal (RFP) for billing services.
- The LFD does not plan to utilize our ambulances for non-emergency inter-facility transfers. Private ambulance companies will continue to provide this service. Private ambulances shall be pulled into the 9-1-1 emergency system during low ambulance status. Similar agreements have been reached in San Francisco and Sacramento to provide for these issues.
- The LFD will provide a ninety five percent (95%) compliance rate of response times under the current eight (8) minute urban and twenty (20) minute rural level defined as beginning from the receipt of the call to arrival on scene.
- The 9-1-1 emergency ambulance transportation system call volume per unit should be evaluated by the Fire Department when the transport volume exceeds ten point seven (10.7) transports per unit per day to ensure adequate response times, system coverage and personnel work load.

- Private ambulance providers will continue to operate in the City of Lodi. This report recommends the immediate implementation of one (1) fire based emergency transportation unit to protect the citizens of Lodi and to provide stability to the present system.
- The implementation schedule for 9-1-1 emergency ambulance transportation will begin by placing one (1) ambulance in service as soon as possible. Additional ambulance units will be staffed if current private ambulance providers fail to staff any units, or are unable to cover current ambulance districts. This plan allows for the flexibility to implement resources as needed.

Ambulance Response Zones

The County of San Joaquin is divided into eight (8) geographic Ambulance Response Zones. The City of Lodi is located in Zone 4. The borders for these areas as follows:

South border of Eight Mile Road extending east and west to the Solano and Calaveras County lines, the north border is the Sacramento County line.

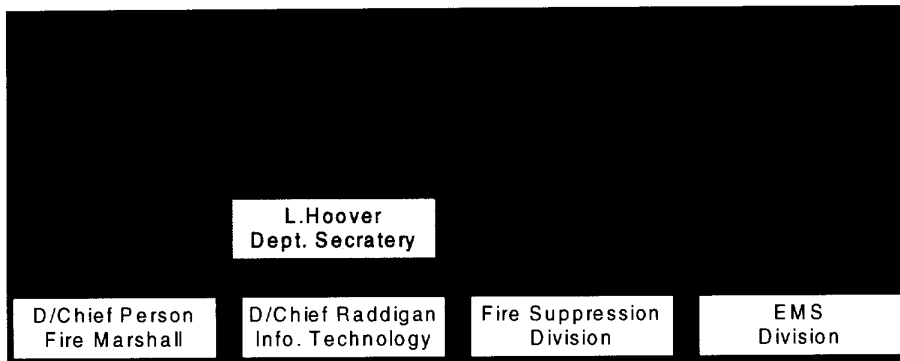
The City of Lodi will need to provide 9-1-1 emergency ambulance transportation to all areas of this Zone by agreement with the SJEMSA. This report will provide for the needed personnel, equipment and vehicles to accomplish this objective. See **Appendix A** for all San Joaquin County Ambulance Zones.

Fire Department Staffing

The Lodi Fire Department consists of one overall department, however, the deployment functions are divided into several specific areas of responsibility, which are: Administration, Fire and Life Safety, Training, and eventually, Emergency Medical Services.

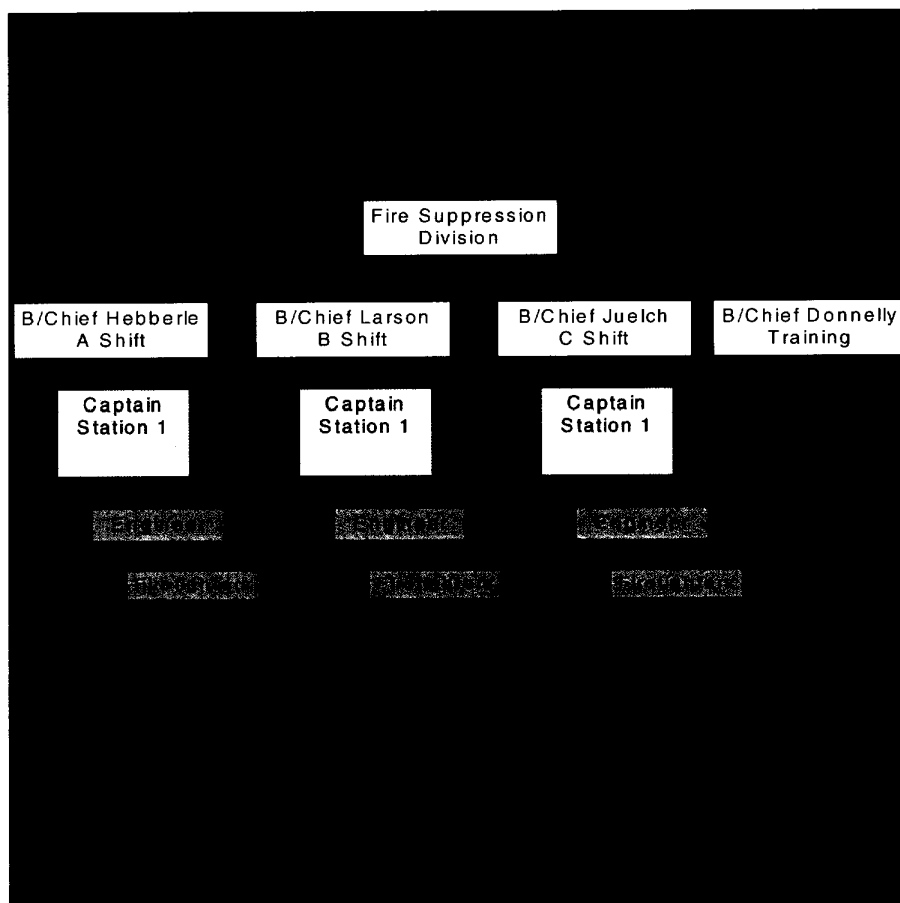
Administration

The administrative section of the department is led by the Fire Chief, and supported by the department secretary. The administrative arm is further divided into four divisions; Fire Marshall, Information Technology, Fire Suppression, and Emergency Medical Services. The administrative services are described in the organization chart below.



Fire Suppression Division

The LFD now operates one (1) battalion and three (3) engine and one (1) truck companies; which are staffed in a three-shift schedule format. Each company shift is staffed with a Captain, Engineer, and firefighters, as described below.:

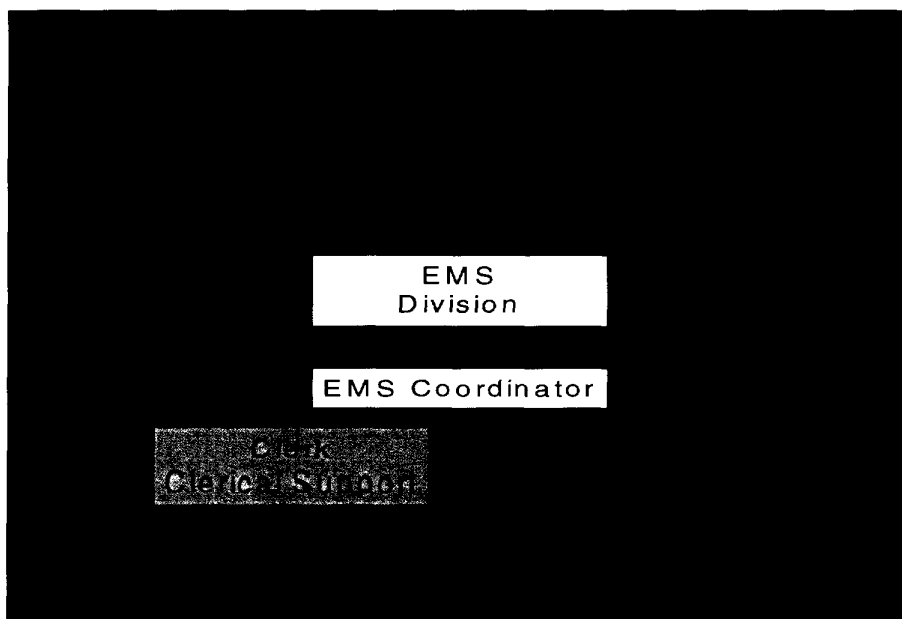


Additionally, a minimum of three (3) firefighters for each shift is cross-trained as emergency medical technicians (EMT). Truck 1 is staffed with four (4) EMT's. Starting in July of 2003, three (3) additional firefighters will be hired to bring an engine company back to the downtown area. Six (6) of the ten (10) firefighters have already been hired and placed on engine and truck companies. The hiring process will be completed by 2004.

Fire Department Based Ambulance Staffing

The LFD will eventually staff two (2) twenty-four hour (24) ALS ambulances. Each ambulance will be staffed with two firefighter paramedics. A third ambulance will be purchased and used as a reserve unit or may be placed into service as needed.

With a current daily staffing level of 15 fire suppression personnel, reserve ambulances can be immediately placed into service. During large-scale emergencies, off duty personnel can be called back to staff reserve ambulances. The implementation of each unit will be based on the public safety need until a total of two (2) twenty-four (24) ALS ambulances are in place.



EMS Coordinator

A 40-hour workweek EMS coordinator position will be established. The EMS coordinator will be assigned the following duties:

Coordinate all EMS activities to include:

- ☐ On-Duty Quality Assurance.
- ☐ Training
- ☐ Accreditation of new paramedics.
- ☐ Supply procurement and distribution.
- ☐ Liaison to hospitals.
- ☐ EMS customer service coordination.

With the increased workload, one new clerical staff member will need to be hired to assist with the additional duties in the EMS division. This position will work under the direction of the Department Secretary and their primary responsibilities will include billing and collections support, record management, data collection, and other duties as assigned. The Fire Chief and Human Resources Director will determine their exact position title.

Clerical Support Staff

- ☐ Provide clerical support for EMS Billing;
- ☐ Records management support
- ☐ Collection and dissemination billing data
- ☐ Other clerical duties as assigned

Personnel Management

Fire Department Divisions

The implementation of a fire-based 9-1-1 emergency ambulance transportation system will affect all other LFD Divisions. Each Division will need to analyze this report and determine any increased personnel, equipment and management needs. The LFD Division of Training will require additional resources and these have been planned for to train new personnel. This report does not address current and anticipated fire suppression vacancies. This report recommends that an EMS Oversight Committee be formed at the onset of system implementation and review all system needs at a minimum of six (6) month intervals.



The current Record Management System (RMS) and Pre-Hospital Care Reports (PCR) are not set up for emergency transportation billing. A comprehensive billing form has not been developed. The 3rd party biller will assist in billing compliance, calculation and design.

Paramedic Pay

Due to the expansion of the ALS emergency 9-1-1 transportation system, all certified paramedics, from the rank of Captain to Firefighter, should be paid as paramedics when assigned to an engine or ambulance company. This will also allow more flexibility for personnel assignments when adhering to the two (2) paramedic per ambulance minimum staffing levels. For the purposes of this plan, the paramedic incentive is calculated at 15% of the Firefighter II pay classification. Actual incentive pay will need to be negotiated.

Paramedic Staffing Level Needs

To minimally staff and implement this fire based 9-1-1 emergency ambulance transportation system, the LFD will need fifteen (15) licensed paramedic positions. In addition, paramedic positions may be needed to staff engine and truck companies to increase flexibility and prevent paramedic burnout.

Hiring Practices

The City of Lodi has a current entry-level firefighter list established. This list contains approximately 200 certified names, which include nineteen (19) paramedics. The Fire Department has the option of establishing a lateral entry list. This option will allow the LFD to hire the required personnel while meeting defined standards and staffing goals previously set by Council.

Based on the need for additional paramedic personnel, lateral entry criteria can be established to include paramedic and EMS experience. Currently, there are several members of the commercial provider on the existing LFD eligibility list.

Paramedic Training Program

Due to the increased need for paramedic trained personnel, the LFD Division of Training may need to sponsor and conduct a State of California approved Paramedic Training Program. The curriculum will follow the Department of Transportation (DOT) National Registry Guidelines. Future in-house personnel may teach the curricula. It is estimated that the expense for this program can be off set by charging outside students a tuition fee. Current public and private training costs for like programs average \$5,500 per student.

Paramedic Certifications

All paramedic personnel hired after July 01, 2003 will be required to maintain San Joaquin County Paramedic accreditation for a period of not less than five (5) years. This practice will ensure an adequate number of experienced paramedics for the expanded, fire-based 9-1-1 emergency ambulance transportation system.

Training Plans

The training proposal included in this report represents one possible contingency. This proposal does not represent other hiring and training needs to fill anticipated fire suppression vacancies. This proposal allows for flexibility.

The Division of Training will be required to conduct additional joint training academies with the City of Stockton Fire Department. This may require current line personnel to be placed on a forty (40) hour week in the Division of Training. Relief pool personnel will be utilized to backfill vacancies that are created by the transfer of line personnel to a forty (40) hour week

Due to the large number of new personnel, the priority of the department needs to be training. All non-emergent activities should be reviewed and prioritized during this transitional period. If fifteen (15) additional firefighter paramedics are hired, these training plans will need to be modified.

Training Option

This option allows the LFD to train employees over a one (1) year period. The current joint SFD/LFD academy is sixteen (16) weeks in length. One (1) Captain and two (2) Firefighters and/or Engineers will instruct the academy.

Academy One – Nine (9) candidates consisting of six (6) firefighter paramedics and three (3) firefighter EMT's. This will provide staffing for one (1) transport unit, and meet current established suppression staffing needs.

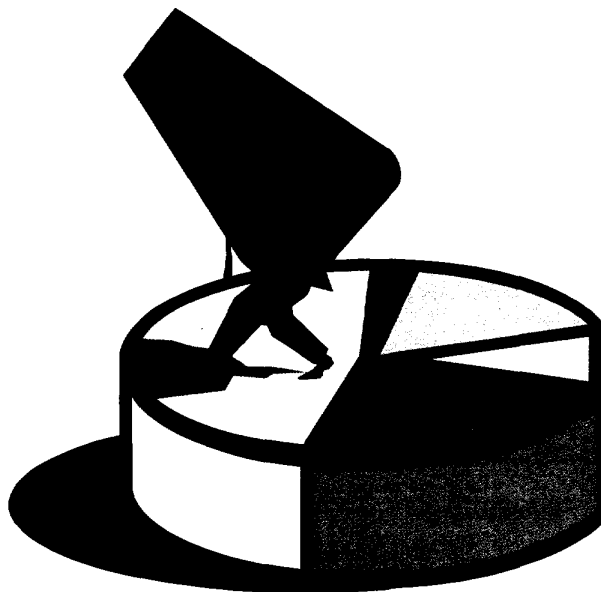
Academy Two – Seven (7) candidates consisting of six (6) firefighter paramedics and one (1) firefighter EMT. This will provide staffing for two (2) transport units.

Academy Three – Three (3) candidates consisting of three (3) firefighter paramedics. This will provide relief staffing and the ability to staff the third unit.

Program Cost Analysis

Cost of Additional Personnel

We estimate that the department will need fifteen (15) new paramedic positions to implement fire department based transportation program and full build-out of the system. These figures include the necessary positions used to fill vacancies created by vacations, sick leave, etc. In the tables below, we show the estimated cost of these new hires. The following table illustrates the cost per employee of the proposed additions.



Paramedic Salary	
Base Pay	\$51,169.50
Paramedic Incentive	7,675.00
Uniform Allowance	600.00
Team Membership	1,410.38
Education Incentive	600.00
Medical Insurance	3,085.80
Dental Insurance	916.56
Optical Insurance	175.56
Medicare	741.96
PERS	4,605.26
Unemployment Insurance	94.66
CHP	91.56
Total	\$71,166.24

Summary

The following is the annual cost of the Ambulance Management Personnel.

Management Personnel	# of FTE's	Cost	Total
EMS Coordinator (Salary/Benefits)	1	\$78,500	\$78,500
Clerical Staff (possible)	1	\$45,495	\$45,495
Office Equipment		\$5,829	\$5,829
Totals	2		\$129,824

Cost of Personal Protective Equipment

The LFD requires personal protective equipment (PPE) for each new position. The chart below illustrates the cost per person. These numbers are based upon current city contracts.

Personal Protective Equipment	Units	Cost	Total
Turnouts/Helmets/Gloves	6	\$1,800	\$10,800
Uniforms	6	\$300	\$1,800
Totals	12	\$2100	\$12,600

Cost of Vehicles and Equipment

The Department will purchase, through the City of Lodi Fleet Management, three (3) ambulance units at a base vehicle price of \$72,900. These ambulances will be equipped in accordance with current San Joaquin County Policy.

Wheeled Coach Industries bases the costs per unit on a bid. All other costs are based on current vendors. The cost summary is as follows:

Cost of Vehicles and Equipment	Units	Cost	Total
Ambulance: Type III E450	3	\$72,900	\$218,700
Cell Phone	3	\$35	\$105
ALS/BLS Equipment	3	\$21,412	\$64,236
Radios (Mobile / 2 Portables)	3	\$11,000	\$33,000
SCBA's (2 per Ambulance) (active)	4	\$6,000	\$24,000
Totals		\$111,347	\$340,041

Operational Costs

Operating ambulances involves costs for fuel, maintenance and medical supplies. These numbers are based upon current City of Stockton contracts and maintenance costs provided by Fleet Management of the City of Lodi. Medical supply amounts were calculated from our current vendor and include a one (1) year supply for system start-up.

Operational Costs	Units	Cost	Total
Fuel / 3 Ambulances (Annual)	3	\$5,248	\$15,744
Maintenance / 3 Ambulances (Annual)	3	\$5,485	\$16,455
County Ambulance Permit (3 Annual)	3	\$480	\$1,440
Medical Supplies (1,460 Transports)	1	\$19,226	\$57,687
Oxygen (Monthly per 3 units)	3	\$1,013	\$3,039
Annual Cell Phone Service (3)	3	\$240	\$720
Totals		\$31,692	\$95,085

The City of Lodi will be able to join the purchasing programs of the Cities of Sacramento and Stockton for the purchase of ambulances, equipment and drugs.

Medical Supply Management

The LFD will need to update our current medical supply procurement process to include the addition of three (3) ambulances.

Paramedic/EMT License Fee

All new ambulance employees will be required to have a paramedic license.

Paramedic Licenses	Units	Cost	Total
Paramedic License	6	\$130	\$780
Totals	15		\$1,950

Billing Expenses

The cost for billing services varies greatly based on a number of factors. For the purposes of this report, we have included a percentage rate based on net collections, which we feel represents a realistic fee for this service. A rate of seven (7) percent has been calculated.

The rates quoted are based on historical averages from other agencies with similar call volume, demographics and gross collections. A rate of seven (7) percent was chosen for this service based on a more conservative comparable

The rates quoted are based on historical averages from other agencies with similar call volume, demographics and gross collections. A rate of seven (7) percent was chosen for this service based on a more conservative comparable fee for service from the City of Sacramento Fire Department, Sacramento Metropolitan Fire District and the San Francisco Fire Department and two (2) bids from AIS and Sky Med.

Anticipated Cost of Billing Services	Net Collections	Service Fee

Expense Summary

The following tables represent the first year expenses.

Costs Year 1

Personnel Costs

Summary-Personnel Costs	Cost
Ambulance Staff (6)	\$426,997
Ambulance Management Staff (1)	\$78,500
Clerical (1)	\$45,495
Licensing/Certification (6)	\$780
Totals	\$551,772

Capital Costs

Personal Protective Equipment	\$12,600
Vehicles/Equipment	\$111,347
Office Supplies	\$5,829
Station Equipment	\$2,600
Totals	\$132,376

Personnel Cost Summary

The following table provides for a five (5) year comparison of personnel and operational costs associated with the 9-1-1 emergency ambulance system. This calculation is based on the historical wage increase of two point five (2.5) percent per years 1 and 2, 3% years 3 and 4, and 3.5% for year 5 includes all projected positions.

Annual Personnel Costs

Year	Cost
2003	\$550,992
2004	\$1,002,474
2005	\$1,237,332

System Implementation

This plan will allow the LFD flexibility in providing emergency ambulance transportation services for Zone 4. An initial recommendation is to place one (1) ambulance in service to increase the level of public safety within our community. Additional resources can be allocated to provide for the public safety need, as private resources are deemed inadequate. The total implementation costs are further described in the fiscal model on the following page.

Lodi Fire Department
Engine Company Firefighter/Paramedics Cost Analysis

Fiscal Year	2003/2004		2004/2005		2005/2006	
Categories	Units	Dollar Amount	Addl. Units	Dollar Amount	Addl. Units	Dollar Amount
Expenditures						
Personnel						
Paramedics	6	\$ 426,996.00	6	\$ 864,666.90	3	\$ 1,105,128.57
EMS Coordinator	1	\$ 78,500.00		\$ 80,462.50		\$ 82,474.06
Clerk	1	\$ 45,495.00		\$ 46,632.38		\$ 47,798.18
Total		\$ 550,991.00		\$ 991,761.78		\$ 1,235,400.82
Operating Expenditures						
Medical Supplies		\$ 19,226.00		\$ 38,452.00		\$ 57,678.00
Oxygen		\$ 1,013.00		\$ 2,026.00		\$ 3,039.00
Cell Phone		\$ 240.00		\$ 480.00		\$ 720.00
Total		\$ 20,479.00		\$ 40,958.00		\$ 61,437.00
Total Expenditures		\$ 571,470.00		\$ 1,032,719.78		\$ 1,296,837.82
Capital Expenditures						
Personal Protective Equip.	6	\$ 10,800.00	6	\$ 10,800.00	3	\$ 5,400.00
Office Supplies		\$ 5,829.00		\$ -		\$ -
Station Equipment		\$ 2,600.00		\$ -		\$ -
Uniforms		\$ 1,800.00		\$ 1,800.00		\$ 900.00
Total		\$ 21,029.00		\$ 12,600.00		\$ 6,300.00
Total Capital Expenditures		\$ 21,029.00		\$ 12,600.00		\$ 6,300.00
Total Cost		\$ 592,499.00		\$ 1,045,319.78		\$ 1,303,137.82

Lodi Fire Department
Ambulance Transportation Cost Analysis

Fiscal Year	2003/2004		2004/2005		2005/2006	
Categories	Units	Dollar Amount	Addl. Units	Dollar Amount	Addl. Units	Dollar Amount
Operating Expenditures						
Fuel		\$ 5,248.00		\$ 10,496.00		\$ 15,744.00
Maintenance		\$ 5,485.00		\$ 10,970.00		\$ 16,455.00
Ambulance Permits		\$ 480.00		\$ 960.00		\$ 1,440.00
Total		\$ 11,213.00		\$ 22,426.00		\$ 33,639.00
Total Expenditures		\$ 11,213.00		\$ 22,426.00		\$ 33,639.00
Capital Expenditures						
Ambulances	1	\$ 111,347.00	1	\$ 111,347.00	1	\$ 111,347.00
Total		\$ 111,347.00		\$ 111,347.00		\$ 111,347.00
Total Capital Expenditures		\$ 111,347.00		\$ 111,347.00		\$ 111,347.00
Net Reserves		\$ 122,560.00		\$ 133,773.00		\$ 144,986.00

25A

Lodi Fire Department
Ambulance Transportation Cost Analysis

Fiscal Year	2003/2004		2004/2005		2005/2006	
Categories	Units	Dollar Amount	Addl. Units	Dollar Amount	Addl. Units	Dollar Amount
Revenue						
Prior Reserve		\$ -		\$ (62,393.67)		\$ (344,167.97)
Fees for Service		\$ 701,790.68		\$ 964,858.57		\$ 1,351,665.00
Total		\$ 701,790.68		\$ 902,464.90		\$ 1,007,497.03
Total Revenue		\$ 701,790.68		\$ 902,464.90		\$ 1,007,497.03
Personnel						
Paramedics	6	\$ 426,996.00	6	\$ 864,666.90	3	\$ 1,105,128.57
EMS Coordinator	1	\$ 78,500.00		\$ 80,462.50		\$ 82,474.06
Clerk	1	\$ 45,495.00		\$ 46,632.38		\$ 47,798.18
Total		\$ 550,991.00		\$ 991,761.78		\$ 1,235,400.82
Operating Expenditures						
Fuel		\$ 5,248.00		\$ 10,496.00		\$ 15,744.00
Maintenance		\$ 5,485.00		\$ 10,970.00		\$ 16,455.00
Ambulance Permits		\$ 480.00		\$ 960.00		\$ 1,440.00
Medical Supplies		\$ 19,226.00		\$ 38,452.00		\$ 57,678.00
Oxygen		\$ 1,013.00		\$ 2,026.00		\$ 3,039.00
Cell Phone		\$ 240.00		\$ 480.00		\$ 720.00
Total		\$ 31,692.00		\$ 63,384.00		\$ 95,076.00
Out-Source Expenditures						
Billing Cost		\$ 49,125.35		\$ 67,540.10		\$ 94,616.55
Total		\$ 49,125.35		\$ 67,540.10		\$ 94,616.55
Total Expenditures		\$ 631,808.35		\$ 1,122,685.87		\$ 1,425,093.37
Net Operating Cost		\$ 69,982.33		\$ (220,220.97)		\$ (417,596.34)
Capital Expenditures						
Ambulances	1	\$ 111,347.00	1	\$ 111,347.00	1	\$ 111,347.00
Personal Protective Equip.	6	\$ 10,800.00	6	\$ 10,800.00	3	\$ 5,400.00
Office Supplies		\$ 5,829.00		\$ -		\$ -
Station Equipment		\$ 2,600.00		\$ -		\$ -
Uniforms		\$ 1,800.00		\$ 1,800.00		\$ 900.00
Total		\$ 132,376.00		\$ 123,947.00		\$ 117,647.00
Total Capital Expenditures		\$ 132,376.00		\$ 123,947.00		\$ 117,647.00
Net Reserves		\$ (62,393.67)		\$ (344,167.97)		\$ (535,243.34)

25B

Lodi Fire Department
Ambulance Transportation Cost Analysis

Fiscal Year	2003/2004		2004/2005		2005/2006	
Categories	Units	Dollar Amount	Addl. Units	Dollar Amount	Addl. Units	Dollar Amount
Revenue						
Prior Reserve		\$ -		\$ 145,450.17		\$ 71,519.71
Fees for Service		\$ 701,790.68		\$ 964,858.57		\$ 1,351,665.00
Membership Program		\$ 223,488.00		\$ 223,488.00		\$ 223,488.00
Total		\$ 925,278.68		\$ 1,333,796.74		\$ 1,646,672.71
Total Revenue		\$ 925,278.68		\$ 1,333,796.74		\$ 1,646,672.71
Personnel						
Paramedics	6	\$ 426,996.00	6	\$ 864,666.90	3	\$ 1,105,128.57
EMS Coordinator	1	\$ 78,500.00		\$ 80,462.50		\$ 82,474.06
Clerk	1	\$ 45,495.00		\$ 46,632.38		\$ 47,798.18
Total		\$ 550,991.00		\$ 991,761.78		\$ 1,235,400.82
Operating Expenditures						
Fuel		\$ 5,248.00		\$ 10,496.00		\$ 15,744.00
Maintenance		\$ 5,485.00		\$ 10,970.00		\$ 16,455.00
Ambulance Permits		\$ 480.00		\$ 960.00		\$ 1,440.00
Medical Supplies		\$ 19,226.00		\$ 38,452.00		\$ 57,678.00
Oxygen		\$ 1,013.00		\$ 2,026.00		\$ 3,039.00
Cell Phone		\$ 240.00		\$ 480.00		\$ 720.00
Total		\$ 31,692.00		\$ 63,384.00		\$ 95,076.00
Out-Source Expenditures						
Billing Cost		\$ 49,125.35		\$ 67,540.10		\$ 94,616.55
Membership Collections		\$ 15,644.16		\$ 15,644.16		\$ 15,644.16
Total		\$ 64,769.51		\$ 83,184.26		\$ 110,260.71
Total Expenditures		\$ 647,452.51		\$ 1,138,330.03		\$ 1,440,737.53
Net Operating Cost		\$ 277,826.17		\$ 195,466.71		\$ 205,935.18
Capital Expenditures						
Ambulances	1	\$ 111,347.00	1	\$ 111,347.00	1	\$ 111,347.00
Personal Protective Equip.	6	\$ 10,800.00	6	\$ 10,800.00	3	\$ 5,400.00
Office Supplies		\$ 5,829.00		\$ -		\$ -
Station Equipment		\$ 2,600.00		\$ -		\$ -
Uniforms		\$ 1,800.00		\$ 1,800.00		\$ 900.00
Total		\$ 132,376.00		\$ 123,947.00		\$ 117,647.00
Total Capital Expenditures		\$ 132,376.00		\$ 123,947.00		\$ 117,647.00
Net Reserves		\$ 145,450.17		\$ 71,519.71		\$ 88,288.18

25C

Lodi Fire Department Engine Company Firefighter/Paramedics Cost Analysis						
Fiscal Year	2003/2004		2004/2005		2005/2006	
Categories	Units	Dollar Amount	Addl. Units	Dollar Amount	Addl. Units	Dollar Amount
Expenditures						
Total Expenditures		\$ 571,470.00		\$ 1,032,719.78		\$ 1,296,837.82
Capital Expenditures						
Total Capital Expenditures		\$ 21,029.00		\$ 12,600.00		\$ 6,300.00
Total Cost E/C Paramedics		\$ 592,499.00		\$ 1,045,319.78		\$ 1,303,137.82

Lodi Fire Department Ambulance Transportation Cost Analysis						
Fiscal Year	2003/2004		2004/2005		2005/2006	
Categories	Units	Dollar Amount	Addl. Units	Dollar Amount	Addl. Units	Dollar Amount
Operating Expenditures						
Total Expenditures		\$ 11,213.00		\$ 22,426.00		\$ 33,639.00
Capital Expenditures						
Total Capital Expenditures		\$ 111,347.00		\$ 111,347.00		\$ 111,347.00
Total Cost W/Ambulances		\$ 122,560.00		\$ 133,773.00		\$ 144,986.00

Total Operating/Capital Cost	\$ 715,059.00	\$ 1,179,092.78	\$ 1,448,123.82
------------------------------	---------------	-----------------	-----------------

Revenue	2003/2004	2004/2005	2005/2006
Fees for Service	\$ 701,790.68	\$ 964,858.57	\$ 1,351,665.00
Billing Cost	\$ 49,125.35	\$ 67,540.10	\$ 94,616.55
Net Receivables	\$ 652,665.33	\$ 897,318.47	\$ 1,257,048.45

Total Reserves	\$ (62,393.67)	\$ (344,167.97)	\$ (535,243.34)
----------------	----------------	-----------------	-----------------

25D

Cost Recovery

Cost Recovery Projections

For the purposes of this report, we have included two (2) independent revenue projections from Sky Med and Allied Information Services.

Cost recovery will require the use of a third party billing company due to the complexity and timing needs of medical billing. The following revenue projections are based upon our current transport volume, hospital payer mix study and year 2000 San Joaquin County approved ambulance rates.

We have also included a successful subscription program from Huntington Beach, CA. This program was developed in Eugene/Springfield, Oregon. The program allows a member to pay a **voluntary** annual fee

The fee covers any out of pocket expenses encountered in using the Lodi Fire Department ambulance. For the purposes of this plan, a \$36.00 annual fee was used. Moreover, a 30% enrollment population was used. **See Appendix D**

We have used two revenue projections in the business plan. The initial projection assumes the City will provide 100% of the service to its citizens. The second projection assumes an average call volume of 5 calls per day and a collection rate of less than 65%. Both billing companies we have spoken to are certain that the collection rate will exceed 70%.

Reimbursement Definitions

Assignment is mandatory under the new fee schedule. The City of Lodi will need to accept the Medicare amount as payment in full and may only bill the patient for unmet co-payment and deductible amounts, not the full charges. The definitions of the individual rates are as follows:

BLS: Basic Life Support transport to include intravenous line placement when local protocols allow for this procedure.

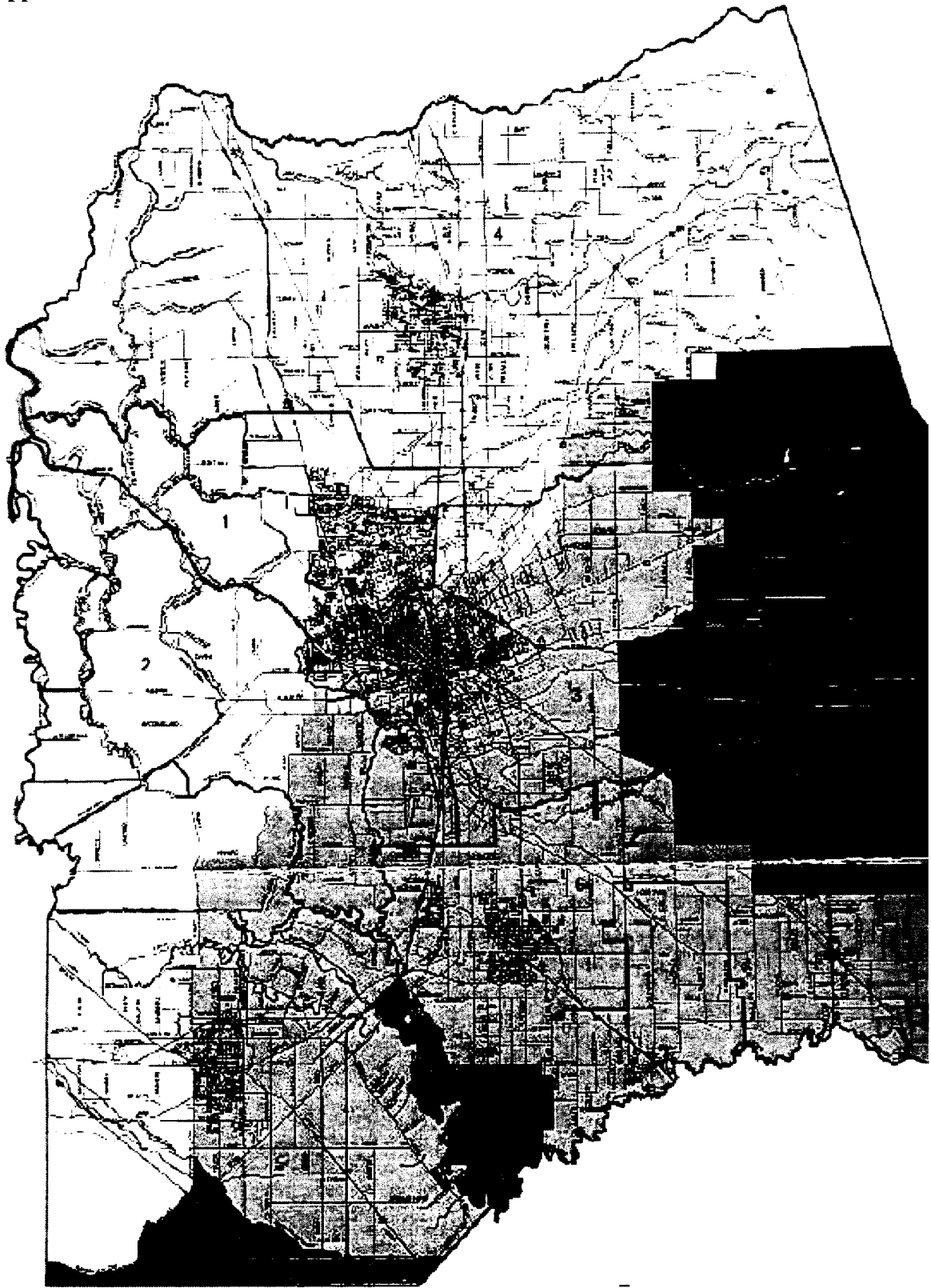
ALS1: Advanced Life Support transport when an ALS assessment or the provision of one (1) ALS intervention is administered.



ALS2: The administration of at least three (3) different medications and the provision of at least one (1) of the following procedures: defibrillation, endotracheal intubation, central venous line, cardiac pacing, chest decompression, surgical airway or intraosseus line. Dextrose, Normal Saline or Ringers Lactate IV Solutions are not medications under this rule.

BLS/ALS Emergency: Emergency response qualifies for higher payment and is defined as 9-1-1 immediate response.

Appendix A



2002 AMBULANCE RECEIVABLE PROJECTIONS FOR LODI FIRE DEPARTMENT

TYPE OF CALLS RUN PER YEAR WITH AMOUNTS						AVERAGE PAYMENT PER CALL					
Description	Charge	Extended	Total extended	% of Calls	Calls	Medicare @	98%	Medical @	98%	Private @	Insu. @
ALS 1 - A0427	\$580.00	\$580.00	\$876,255.30	38%	1511	\$486.96	\$279,562.91	\$118.20	\$37,500.71	\$580.00	\$113,913.19
Mileage - A0425	\$12.30	\$73.80	\$111,495.93			\$10.28	\$35,410.38	\$3.55	\$6,757.74	\$12.30	\$14,494.47
Night Charge	\$61.00	\$61.00	\$9,215.79			\$0.00	\$0.00	\$9.88	\$313.46	\$61.00	\$1,198.05
Oxygen - A0422	\$46.00	\$46.00	\$17,374.03			\$32.06	\$4,601.40	\$9.88	\$783.64	\$46.00	\$2,258.62
Yearly Total			\$1,014,341.05				\$313,183.20		\$44,448.44		\$43,515.23
							\$549.62		\$140.10		\$17.11
										Average Net Payment	\$449.75
										Total of Average Payments Divided by payors	\$354.18
ALS 2 - A0433	\$580.00	\$580.00	\$230,593.50	10%	398	\$516.64	\$78,053.20	\$118.20	\$9,868.61	\$580.00	\$29,977.16
Mileage - A0425	\$12.30	\$73.80	\$29,341.04			\$10.28	\$9,318.52	\$3.55	\$1,778.35	\$12.30	\$3,814.33
Night Charge	\$61.00	\$61.00	\$4,850.42			\$0.00	\$0.00	\$9.88	\$164.98	\$61.00	\$630.55
Oxygen - A0422	\$46.00	\$46.00	\$18,288.45			\$32.06	\$4,843.58	\$9.88	\$824.89	\$46.00	\$2,377.50
Yearly Total			\$283,073.40				\$90,370.99		\$12,384.09		\$12,143.85
							\$226.34		\$148.52		\$17.58
										Average Net Payment	\$484.37
										Total of Average Payments Divided by payors	\$380.45
BLS - A0429	\$395.00	\$395.00	\$816,619.05	52%	2067	\$292.83	\$230,049.65	\$118.20	\$51,316.75	\$395.00	\$106,160.48
Mileage - A0425	\$12.30	\$73.80	\$152,573.38			\$10.28	\$48,456.31	\$3.55	\$9,247.44	\$12.30	\$19,834.54
Night Charge	\$61.00	\$61.00	\$6,305.54			\$0.00	\$0.00	\$9.88	\$214.47	\$61.00	\$819.72
Oxygen - A0422	\$46.00	\$46.00	\$23,774.99			\$32.06	\$6,296.65	\$9.88	\$1,072.36	\$46.00	\$3,090.75
Yearly Total			\$999,272.96				\$279,106.56		\$80,614.00		\$42,868.81
							\$135.07		\$140.10		\$17.58
										Average Net Payment	\$317.69
										Total of Average Payments Divided by payors	\$255.30
GRAND TOTAL (Yearly)			\$2,296,687.41	100%	3976		\$682,660.74		\$117,446.52		\$98,527.89
										Grand Total of Average Net Payments	\$384.54
										Grand Total of Average Payments Divided by payors	\$242.98

BASIC FIGURES FOR CALCULATION				ANTICIPATED REVENUES SECTION					
AVERAGE AMOUNT OF CALLS RUN PER YEAR		PERCENTAGE OF OTHER CHARGES		BY CALLS RUN PER DAY					
Volume @ 9.3% of population (57,000) =	5301	Average ALS 1 O2	25%			5	7	10	10.89
Transport	75%	3976	Average ALS 2 O2	100%	50% of receivable is	\$288.84	\$1,444.19	\$2,021.86	\$2,888.37
Non-transport	20%	1060	Average BLS O2	25%					
Cancelled in route	5%	265	Average Night ALS 1	10%	80% of receivable is	\$462.14	\$2,310.70	\$3,234.97	\$4,621.39
TOTAL & CROSS CHECK	100%	5301	Average Night ALS 2	20%					
Average miles =	6	Average Night BLS	5%						
NOTES				BY CALLS RUN PER DAY (YEARLY)					
				CALLS PER DAY times	365	5	7	10	10.89
				50%		\$527,127.53	\$737,978.54	\$1,054,255.05	\$1,148,343.70
				80%		\$843,404.04	\$1,180,765.66	\$1,686,808.08	\$1,837,349.92
						5	7	10	10.89
				BY AVERAGE NET PAYMENTS		\$701,790.68	\$982,506.95	\$1,403,581.35	\$1,528,846.18
CREATED BY SKYMED AMBULANCE BILLING				BY PAYMENTS DIVIDED BY PAYORS		\$602,206.70	\$843,089.39	\$1,204,413.41	\$1,311,003.18

2003 AMBULANCE RECEIVABLE PROJECTIONS FOR LODI FIRE DEPARTMENT

TYPE OF CALLS RUN PER YEAR WITH AMOUNTS						AVERAGE PAYMENT PER CALL							
Description	Charge	Extended	Total extended	% of Calls	Calls	Medicare @	98%	Medical @	98%	Private @	33%	Insu. @	98%
ALS 1 - A0427	\$580.00	\$580.00	\$893,777.10	38%	1541	\$457.12	\$267,679.46	\$118.20	\$38,250.58	\$580.00	\$116,191.02	\$250,257.59	
Mileage - A0425	\$12.30	\$73.80	\$113,725.43			\$9.26	\$32,534.72	\$3.55	\$6,892.87	\$12.30	\$14,784.31	\$31,843.12	
Night Charge	\$61.00	\$61.00	\$9,400.07			\$0.00	\$0.00	\$9.88	\$319.73	\$61.00	\$1,222.01	\$2,632.02	
Oxygen - A0422	\$46.00	\$46.00	\$17,721.44			\$24.52	\$3,589.59	\$9.88	\$799.31	\$46.00	\$2,303.79	\$4,962.00	
Yearly Total			\$1,034,624.04				\$297,727.70		\$45,337.24		\$44,385.37	\$283,900.84	
							58.55%		5.40%		4.01%	5.45%	
										Average Net Payment		\$435.66	
										Total of Average Payments Divided by payors		\$344.91	
ALS 2 - A0433	\$580.00	\$580.00	\$235,204.50	10%	406	\$517.67	\$79,772.69	\$118.20	\$10,065.94	\$580.00	\$30,576.59	\$65,857.26	
Mileage - A0425	\$12.30	\$73.80	\$29,927.75			\$9.26	\$8,561.77	\$3.55	\$1,813.91	\$12.30	\$3,890.61	\$8,379.77	
Night Charge	\$61.00	\$61.00	\$4,947.41			\$0.00	\$0.00	\$9.88	\$168.28	\$61.00	\$643.16	\$1,385.27	
Oxygen - A0422	\$46.00	\$46.00	\$18,654.15			\$24.52	\$3,778.52	\$9.88	\$841.38	\$46.00	\$2,425.04	\$5,223.16	
Yearly Total			\$288,733.80				\$90,270.72		\$12,631.72		\$12,386.68	\$79,228.55	
							58.55%		5.40%		4.01%	5.45%	
										Average Net Payment		\$479.67	
										Total of Average Payments Divided by payors		\$377.36	
BLS - A0429	\$395.00	\$395.00	\$832,948.35	52%	2109	\$295.25	\$236,588.96	\$118.20	\$52,342.90	\$395.00	\$108,283.29	\$233,225.54	
Mileage - A0425	\$12.30	\$73.80	\$155,624.27			\$9.26	\$44,521.19	\$3.55	\$9,432.35	\$12.30	\$20,231.16	\$43,574.80	
Night Charge	\$61.00	\$61.00	\$6,431.63			\$0.00	\$0.00	\$9.88	\$218.76	\$61.00	\$836.11	\$1,800.86	
Oxygen - A0422	\$46.00	\$46.00	\$24,250.40			\$24.52	\$4,912.08	\$9.88	\$1,093.80	\$46.00	\$3,152.55	\$6,790.11	
Yearly Total			\$1,019,254.65				\$280,301.79		\$61,826.05		\$43,726.02	\$279,683.47	
							58.55%		5.40%		4.01%	5.45%	
										Average Net Payment		\$315.61	
										Total of Average Payments Divided by payors		\$251.93	
GRAND TOTAL (Yearly)			\$2,342,612.49	100%	4055		\$668,300.20		\$119,795.01		\$100,498.08	\$642,812.87	
										Grand Total of Average Net Payments		\$377.64	
										Grand Total of Average Payments Divided by payors		\$254.40	

BASIC FIGURES FOR CALCULATION				ANTICIPATED REVENUES SECTION					
AVERAGE AMOUNT OF CALLS RUN PER YEAR		PERCENTAGE OF OTHER CHARGES		BY CALLS RUN PER DAY					
Volume @ 9.3% of population (58,140) =	5407	Average ALS 1 O2	25%		5	7	10	11.11	
Transport	75%	4055	Average ALS 2 O2	100%	50% of receivable is	\$288.84	\$1,444.19	\$2,021.86	\$2,888.37
Non-transport	20%	1081	Average BLS O2	25%					
Cancelled in route	5%	270	Average Night ALS 1	10%	80% of receivable is	\$462.14	\$2,310.70	\$3,234.97	\$4,621.39
TOTAL & CROSS CHECK	100%	5407	Average Night ALS 2	20%					
Average miles =	6	Average Night BLS	5%						
NOTES Medicare's rates were calculated using a two (2) percent CPI over the previous years rates. The CPI was not used for Medical allowable rates. Population was calculated at two (2) percent increase over the previous years population.				BY CALLS RUN PER DAY (YEARLY)					
				CALLS PER DAY times	365	5	7	10	11.11
				50%		\$527,127.53	\$737,978.54	\$1,054,255.05	\$1,171,306.24
				80%		\$843,404.04	\$1,180,765.66	\$1,686,808.08	\$1,874,089.99
						5	7	10	11.11
				BY AVERAGE NET PAYMENTS		\$689,184.70	\$964,858.57	\$1,378,369.39	\$1,531,406.16
				BY PAYMENTS DIVIDED BY PAYORS		\$592,051.43	\$831,392.00	\$1,131,702.95	\$1,219,670.41

CREATED BY SKYMED AMBULANCE BILLING

2004 AMBULANCE RECEIVABLE PROJECTIONS FOR LODI FIRE DEPARTMENT

TYPE OF CALLS RUN PER YEAR WITH AMOUNTS						AVERAGE PAYMENT PER CALL							
Description	Charge	Extended	Total extended	% of Calls	Calls	Medicare @	98%	Medical @	98%	Private @	33%	Insu. @	98%
				38%	1571								
ALS 1 - A0427	\$580.00	\$580.00	\$911,298.90			\$425.72	\$254,179.49	\$118.20	\$39,000.45	\$580.00	\$118,468.86	\$255,163.69	
Mileage - A0425	\$12.30	\$73.80	\$115,954.93			\$8.19	\$29,339.43	\$3.55	\$7,028.00	\$12.30	\$15,074.14	\$32,467.38	
Night Charge	\$61.00	\$61.00	\$9,584.35			\$0.00	\$0.00	\$9.88	\$325.99	\$61.00	\$1,245.97	\$2,683.62	
Oxygen - A0422	\$46.00	\$46.00	\$18,068.86			\$16.67	\$2,488.24	\$9.88	\$814.98	\$46.00	\$2,348.95	\$5,059.28	
Yearly Total			\$1,054,907.04				\$280,287.01		\$46,226.04		\$45,255.51	\$289,466.49	
							\$466.45		\$149.10		\$171.42	\$289,466.49	
Average Net Payment												\$420.85	
Total of Average Payments Divided by payors												\$335.16	
ALS 2 - A0433	\$580.00	\$580.00	\$239,815.50	10%	413	\$518.33	\$81,440.27	\$118.20	\$10,263.28	\$580.00	\$31,176.02	\$67,148.34	
Mileage - A0425	\$12.30	\$73.80	\$30,514.46			\$8.19	\$7,720.90	\$3.55	\$1,849.47	\$12.30	\$3,966.88	\$8,544.05	
Night Charge	\$61.00	\$61.00	\$5,044.40			\$0.00	\$0.00	\$9.88	\$171.58	\$61.00	\$655.77	\$1,412.43	
Oxygen - A0422	\$46.00	\$46.00	\$19,019.85			\$16.67	\$2,619.20	\$9.88	\$857.88	\$46.00	\$2,472.58	\$5,325.56	
Yearly Total			\$294,394.20				\$89,944.76		\$12,879.36		\$12,629.51	\$80,781.77	
							\$217.41		\$149.21		\$12,629.51	\$80,781.77	
Average Net Payment												\$474.60	
Total of Average Payments Divided by payors												\$374.02	
BLS - A0429	\$395.00	\$395.00	\$849,277.65	52%	2150	\$297.54	\$243,098.09	\$118.20	\$53,369.04	\$395.00	\$110,406.09	\$237,797.74	
Mileage - A0425	\$12.30	\$73.80	\$158,675.17			\$8.19	\$40,148.69	\$3.55	\$9,617.26	\$12.30	\$20,627.77	\$44,429.05	
Night Charge	\$61.00	\$61.00	\$6,557.71			\$0.00	\$0.00	\$9.88	\$223.05	\$61.00	\$852.50	\$1,836.16	
Oxygen - A0422	\$46.00	\$46.00	\$24,725.81			\$16.67	\$3,404.96	\$9.88	\$1,115.24	\$46.00	\$3,214.35	\$6,923.23	
Yearly Total			\$1,039,236.33				\$280,916.71		\$63,036.10		\$44,583.24	\$285,166.45	
							\$280,916.71		\$63,036.10		\$44,583.24	\$285,166.45	
Average Net Payment												\$313.34	
Total of Average Payments Divided by payors												\$252.44	
GRAND TOTAL (Yearly)			\$2,388,537.57	100%	4135		\$651,150.48		\$122,143.50		\$102,468.26	\$655,414.71	
Grand Total of Average Net Payments												\$370.32	
Grand Total of Average Payments Divided by payors												\$320.54	

BASIC FIGURES FOR CALCULATION				ANTICIPATED REVENUES SECTION						
AVERAGE AMOUNT OF CALLS RUN PER YEAR		PERCENTAGE OF OTHER CHARGES		BY CALLS RUN PER DAY						
Volume @ 9.3% of population (59,280) =	5513	Average ALS 1 O2	25%			5	7	10	11.33	
Transport	75%	4135	Average ALS 2 O2	100%	50% of receivable is	\$288.84	\$1,444.19	\$2,021.86	\$2,888.37	\$3,271.97
Non-transport	20%	1103	Average BLS O2	25%						
Cancelled in route	5%	276	Average Night ALS 1	10%						
TOTAL & CROSS CHECK	100%	5513	Average Night ALS 2	20%	80% of receivable is	\$462.14	\$2,310.70	\$3,234.97	\$4,621.39	\$5,235.15
Average miles =	6	Average Night BLS	5%							
NOTES				BY CALLS RUN PER DAY (YEARLY)						
Medicare's rates were calculated using a two (2) percent CPI over the previous years rates. The CPI was not used for Medical allowable rates. Population was calculated at two (2) percent increase over the previous years population.				CALLS PER DAY times	365	5	7	10	11.33	
				50%		\$527,127.53	\$737,978.54	\$1,054,255.05	\$1,194,268.79	
				80%		\$843,404.04	\$1,180,765.66	\$1,686,808.08	\$1,910,830.06	
					5	7	10	11.33		
				BY AVERAGE NET PAYMENTS		\$675,832.38	\$946,165.33	\$1,351,664.76	\$1,531,176.95	
				BY PAYMENTS DIVIDED BY PAYORS		\$524,961.63	\$618,979.95	\$1,009,511.53	\$1,125,000.18	
CREATED BY SKYMED AMBULANCE BILLING										

2005 AMBULANCE RECEIVABLE PROJECTIONS FOR LODI FIRE DEPARTMENT

TYPE OF CALLS RUN PER YEAR WITH AMOUNTS						AVERAGE PAYMENT PER CALL							
Description	Charge	Extended	Total extended	% of Calls	Calls	Medicare @	98%	Medical @	98%	Private @	33%	Insu. @	98%
				38%	1601								
ALS 1 - A0427	\$580.00	\$580.00	\$928,820.70			\$392.78	\$239,021.44	\$118.20	\$39,750.32	\$580.00	\$120,746.69	\$260,069.80	
Mileage - A0425	\$12.30	\$73.80	\$118,184.43			\$7.07	\$25,814.17	\$3.55	\$7,163.13	\$12.30	\$15,363.98	\$33,091.64	
Night Charge	\$61.00	\$61.00	\$9,768.63			\$0.00	\$0.00	\$9.88	\$332.26	\$61.00	\$1,269.92	\$2,735.22	
Oxygen - A0422	\$46.00	\$46.00	\$18,416.27			\$8.49	\$1,291.62	\$9.88	\$830.65	\$46.00	\$2,394.12	\$5,156.56	
Yearly Total			\$1,075,190.03				\$260,804.68		\$47,114.84		\$46,125.65	\$295,032.14	
							\$4,751.03		\$140.10		\$1,110.10	\$1,457.97	
										Average Net Payment		\$405.31	
										Total of Average Payments Divided by payors		\$324.94	
ALS 2 - A0433	\$580.00	\$580.00	\$244,426.50	10%	421	\$518.63	\$83,054.19	\$118.20	\$10,460.61	\$580.00	\$31,775.45	\$68,439.42	
Mileage - A0425	\$12.30	\$73.80	\$31,101.17			\$7.07	\$6,793.20	\$3.55	\$1,885.03	\$12.30	\$4,043.15	\$8,708.33	
Night Charge	\$61.00	\$61.00	\$5,141.39			\$0.00	\$0.00	\$9.88	\$174.87	\$61.00	\$668.38	\$1,439.59	
Oxygen - A0422	\$46.00	\$46.00	\$19,385.55			\$8.49	\$1,359.60	\$9.88	\$874.37	\$46.00	\$2,520.12	\$5,427.95	
Yearly Total			\$300,054.60				\$89,382.85		\$10,126.99		\$12,872.34	\$82,334.98	
							\$1,420.00		\$44.00		\$1,110.00	\$1,410.00	
										Average Net Payment		\$469.16	
										Total of Average Payments Divided by payors		\$370.44	
BLS - A0429	\$395.00	\$395.00	\$865,606.95	52%	2191	\$299.69	\$249,562.59	\$118.20	\$54,395.18	\$395.00	\$112,528.90	\$242,369.95	
Mileage - A0425	\$12.30	\$73.80	\$161,726.06			\$7.07	\$35,324.65	\$3.55	\$9,802.18	\$12.30	\$21,024.39	\$45,283.30	
Night Charge	\$61.00	\$61.00	\$6,683.80			\$0.00	\$0.00	\$9.88	\$227.34	\$61.00	\$868.89	\$1,871.46	
Oxygen - A0422	\$46.00	\$46.00	\$25,201.22			\$8.49	\$1,767.48	\$9.88	\$1,136.68	\$46.00	\$3,276.16	\$7,056.34	
Yearly Total			\$1,059,218.02				\$280,921.63		\$64,250.15		\$45,440.45	\$290,649.43	
							\$1,250.00		\$110.00		\$1,110.00	\$1,410.00	
										Average Net Payment		\$310.88	
										Total of Average Payments Divided by payors		\$250.82	
GRAND TOTAL (Yearly)			\$2,434,462.65	100%	4214		\$631,109.17		\$124,491.98		\$104,438.45	\$668,016.55	
										Grand Total of Average Net Payments		\$362.59	
										Grand Total of Average Payments Divided by payors		\$235.40	

<u>BASIC FIGURES FOR CALCULATION</u>				<u>ANTICIPATED REVENUES SECTION</u>						
<u>AVERAGE AMOUNT OF CALLS RUN PER YEAR</u>		<u>PERCENTAGE OF OTHER CHARGES</u>		<u>BY CALLS RUN PER DAY</u>						
Volume @ 9.3% of population (60,420) =	5619	Average ALS 1 O2	25%	50% of receivable is	\$288.84	\$1,444.19	\$2,021.86	\$2,888.37	\$3,334.88	
Transport	75%	4214	Average ALS 2 O2							100%
Non-transport	20%	1124	Average BLS O2							25%
Cancelled in route	5%	281	Average Night ALS 1	10%	80% of receivable is	\$462.14	\$2,310.70	\$3,234.97	\$4,621.39	\$5,335.81
TOTAL & CROSS CHECK	100%	5619	Average Night ALS 2	20%						
Average miles =	6		Average Night BLS	5%						
<u>NOTES</u>				<u>BY CALLS RUN PER DAY (YEARLY)</u>						
Medicare's rates were calculated using a two (2) percent CPI over the previous years rates. The CPI was not used for Medical allowable rates. Population was calculated at two (2) percent increase over the previous years population.				CALLS PER DAY times	365		5	7	10	11.55
				50%		\$527,127.53	\$737,978.54	\$1,054,255.05	\$1,217,231.33	
				80%		\$843,404.04	\$1,180,765.66	\$1,686,808.08	\$1,947,570.12	
						5	7	10	11.55	
				BY AVERAGE NET PAYMENTS		\$661,731.62	\$926,424.27	\$1,323,463.24	\$1,523,056.15	
CREATED BY SKYMED AMBULANCE BILLING				BY PAYMENTS DIVIDED BY PAYORS		\$5,560,798	\$805,851.15	\$1,151,215.97	\$1,219,181.34	

Lodi Fire Department**Expense Revenue Comparison****Year 1 Expenses**

Personnel	Total Expenses
Paramedic Salary	\$426,997.44
EMS Coordinator	\$78,500.00
Clerical Staff	\$45,495.00
Personal Protective Equipment	
Turnouts/Helmets/Gloves	\$10,800.00
Uniforms	\$1,800.00
Vehicle & Equipment	
Ambulance: Tpe III E450	\$72,900.00
Cell Phone	\$35.00
ALS/BLS Equipment	\$21,412.00
Radios	\$11,000.00
SCBA's (2 per Ambulance)	\$12,000.00
Operational Cost	
Fuel	\$5,248.00
Maintenance	\$5,485.00
County Ambulance Permit	\$480.00
Medical Supplies (1,825 Transports)	\$18,250.00
Oxygen	\$1,013.00
Annual Cell Phone Service	\$240.00
Paramedic License Fee	\$780.00
Misc.	
Office Equipment	\$5,829.00
Station Equipment	\$2,600.00
Billing Expense	\$42,358.73
Total Expenses	\$763,223.17

Year 1 Revenue

Transport Volume	1,825
Gross Billing	\$1,135,880.00
Cash Receipts	
Medicare	\$239,678.59
MediCal	\$46,718.18
Insurance	\$277,972.55
SelfPay	\$40,755.37
Net Revenue	\$605,124.69

Lodi Fire Department**Expense Revenue Comparison****Year 2 Expenses**

Personnel	Total Expenses
Paramedic Salary	\$853,994.88
EMS Coordinator	\$78,500.00
Clerical Staff	\$45,495.00
Personal Protective Equipment	
Turnouts/Helmets/Gloves	\$10,800.00
Uniforms	\$1,800.00
Vehicle & Equipment	
Ambulance: Tpe III E450	\$72,900.00
Cell Phone	\$35.00
ALS/BLS Equipment	\$21,412.00
Radios	\$11,000.00
SCBA's (2 per Ambulance)	\$12,000.00
Operational Cost	
Fuel	\$10,496.00
Maintenance	\$10,970.00
County Ambulance Permit	\$960.00
Medical Supplies (3,650 Transports)	\$36,500.00
Oxygen	\$2,026.00
Annual Cell Phone Service	\$480.00
Paramedic License Fee	\$1,560.00
Misc.	
Office Equipment	\$0.00
Station Equipment	\$2,600.00
Billing Expense	\$82,168.18
Total Expenses	\$1,255,697.06

Year 2 Revenue

Transport Volume	3,650
Gross Billing	\$2,271,760.00
Cash Receipts	
Medicare	\$442,939.00
MediCal	\$93,436.35
Insurance	\$555,945.11
SelfPay	\$81,510.75
Net Revenue	\$1,173,831.21

Lodi Fire Department

Expense Revenue Comparison

Year 3 Expenses		Year 2 Revenue	
Personnel	Total Expenses	Transport Volume	3,741
Paramedic Salary	\$1,067,493.60	Gross Billing	\$2,328,398.40
EMS Coordinator	\$78,500.00	Cash Receipts	
Clerical Staff	\$45,495.00	Medicare	\$416,669.08
Personal Protective Equipment		MediCal	\$95,765.86
Turnouts/Helmets/Gloves	\$5,400.00	Insurance	\$569,805.66
Uniforms	\$900.00	SelfPay	\$83,542.93
Vehicle & Equipment		Net Revenue	\$1,165,783.53
Ambulance: Tpe III E450	\$72,900.00		
Cell Phone	\$35.00		
ALS/BLS Equipment	\$21,412.00		
Radios	\$11,000.00		
SCBA's (2 per Ambulance)	\$12,000.00		
Operational Cost			
Fuel	\$15,744.00		
Maintenance	\$16,455.00		
County Ambulance Permit	\$1,440.00		
Medical Supplies (3,741 Transports)	\$37,410.00		
Oxygen	\$3,039.00		
Annual Cell Phone Service	\$720.00		
Paramedic License Fee	\$1,950.00		
Misc.			
Office Equipment	\$0.00		
Billing Expense	\$81,604.85		
Total Expenses	\$1,473,498.45		

LODI FIRE DEPARTMENT**BALANCE SHEET SUMMARY**

Year 1			
Personnel	\$550,992.44	Cash Receipts	
Personal Protective Equipment	\$12,600.00	Medicare	\$239,678.59
Vehicle & Equipment	\$117,347.00	MediCal	\$46,718.18
Operational Cost	\$31,496.00	Insurance	\$277,972.55
Misc	\$50,787.73	SelfPay	\$40,755.37
Total Expenses	\$763,223.17	Net Revenue	\$605,124.69

Year 2			
Personnel	\$997,989.88	Cash Receipts	
Personal Protective Equipment	\$12,600.00	Medicare	\$442,939.00
Vehicle & Equipment	\$117,347.00	MediCal	\$93,436.35
Operational Cost	\$62,992.00	Insurance	\$555,945.11
Misc	\$84,768.18	SelfPay	\$81,510.75
Total Expenses	\$1,255,697.06	Net Revenue	\$1,173,831.21

Year 3			
Personnel	\$1,191,488.60	Cash Receipts	
Personal Protective Equipment	\$6,300.00	Medicare	\$416,669.08
Vehicle & Equipment	\$117,347.00	MediCal	\$95,765.86
Operational Cost	\$76,758.00	Insurance	\$569,805.66
Misc	\$81,604.85	SelfPay	\$83,542.93
Total Expenses	\$1,473,498.45	Net Revenue	\$1,165,783.53

Lodi Fire Department

Year 1 Revenue Projection

Net Revenue	\$605,124.70
Gross Billing	\$1,135,880.00

Gross Collection Rate	53%
Net Collection Rate	73%

Transport Volume:	1,825	
Non-Billable: 8%	146	
Total Billable Volume:	1,679	

<u>Payer Mix:</u>		
Medicare	38%	638
MediCal	21%	353
Insurance	28%	470
Self Pay	13%	218
		1,679

<u>Estimated Fee Schedule</u>	Rate	Usage	Weighted Average
ALS	\$580.00	52%	\$301.60
BLS	\$395.00	48%	\$189.60
Night Charge	\$61.00	40%	\$24.40
Oxygen	\$46.00	50%	\$23.00
Mileage (6 miles @ \$12.30 per)	\$73.80	100%	\$73.80
Nonreusable supplies	\$10.00	100%	\$10.00
			\$622.40

<u>Cash Receipts</u>	Reimbursement Rate	Reimbursement per bill	Volume	Cash Receipt
Medicare		\$375.66	638	\$239,678.59
MediCal		\$132.50	353	\$46,718.18
Insurance	95%	\$591.28	470	\$277,972.55
Self Pay	30%	\$186.72	218	\$40,755.37
				\$605,124.70

Assumptions:

- Transport volume 1,825 (Per Fire Department, based on 5 calls per day)
- Average transport is 6 miles. (Provided by Lodi Fire Department)
- Medicare reimbursement is based on second year implementation of New Medicare Fee Schedule (60% old allowable / 40% new allowable)
- Payer mix based on hospital data (Provided by Lodi Fire Department)
- Rates are based on County allowable Fee Schedule.
- ALS/BLS mix based on demographic area.

Net Collection Calculation:

Gross Billing			\$1,135,880.00
Less Statutory Adjustments:			
	Medicare	\$136,580.94	
	MediCal	\$172,733.84	
			\$309,314.78
Adjusted Gross Billing			<u>\$826,565.22</u>
Total Cash Receipts			\$605,124.70
			73%

Lodi Fire Department

Year 2 Revenue Projection

Net Revenue	\$1,173,831.21
Gross Billing	\$2,271,760.00

Gross Collection Rate	52%
Net Collection Rate	73%

Transport Volume:		3,650		
Non-Billable:	8%	292		
Total Billable Volume		3,358		

<u>Payer Mix:</u>				
Medicare	38%	1,276		
MediCal	21%	705		
Insurance	28%	940		
Self Pay	13%	437		
		3,358		

<u>Estimated Fee Schedule</u>	Rate	Usage	Weighted Average
ALS	\$580.00	52%	\$301.60
BLS	\$395.00	48%	\$189.60
Night Charge	\$61.00	40%	\$24.40
Oxygen	\$46.00	50%	\$23.00
Mileage (6 miles @ \$12.30 per)	\$73.80	100%	\$73.80
Nonreusable supplies	\$10.00	100%	\$10.00
			\$622.40

<u>Cash Receipts</u>	Reimbursement Rate	Reimbursement per bill	Volume	Cash Receipt
Medicare		\$347.12	1,276	\$442,939.00
MediCal		\$132.50	705	\$93,436.35
Insurance	95%	\$591.28	940	\$555,945.11
Self Pay	30%	\$186.72	437	\$81,510.75
				\$1,173,831.21

Assumptions:

Transport volume 3,650 (Average 5 transports per day / per unit)

Average transport is 6 miles. (Provided by Lodi Fire Department)

Medicare reimbursement is based on third year implementation of New Medicare Fee Schedule (40% old allowable / 60% new allowable)

Payer mix based on hospital data (Provided by Lodi Fire Department)

Rates are based on County allowable Fee Schedule.

ALS/BLS mix based on demographic area.

Net Collection Calculation:

Gross Billing			\$2,271,760.00
Less Statutory Adjustments:			
	Medicare	\$312,744.64	
	MediCal	\$345,467.68	\$658,212.33
Adjusted Gross Billing			<u>\$1,613,547.67</u>
Total Cash Receipts			\$1,173,831.21

73%

Lodi Fire Department
Year 1 Expenses

Personnel	Quantity	Cost per	Total Cost
Paramedic Salary	6	\$71,166.24	\$426,997.44
EMS Coordinator	1	\$78,500.00	\$78,500.00
Clerical Staff	1	\$45,495.00	\$45,495.00
Personal Protective Equipment			
Turnouts/Helmets/Gloves	6	\$1,800.00	\$10,800.00
Uniforms	6	\$300.00	\$1,800.00
Vehicle & Equipment			
Ambulance: Type III E450	1	\$72,900.00	\$72,900.00
Cell Phone	1	\$35.00	\$35.00
ALS/BLS Equipment	1	\$21,412.00	\$21,412.00
Radios	1	\$11,000.00	\$11,000.00
SCBA's (2 per Ambulance)	2	\$6,000.00	\$12,000.00
Operational Cost			
Fuel	1	\$5,248.00	\$5,248.00
Maintenance	1	\$5,485.00	\$5,485.00
County Ambulance Permit	1	\$480.00	\$480.00
Medical Supplies (1,825 transports)	1	\$10/transport	\$18,250.00
Oxygen	1	\$1,013.00	\$1,013.00
Annual Cell Phone Service	1	\$240.00	\$240.00
Paramedic License Fee	6	\$130.00	\$780.00
Misc.			
Office Equipment			\$5,829.00
Station Equipment			\$2,600.00
Billing Expense (7% of Net Collections of \$605,124.70)			\$42,358.73
Total Expenses			\$763,223.17

Assumptions:

Implementing one ambulance and crew full time with an average of 5 calls per day

Lodi Fire Department

Year 2 Expenses

Personnel	Quantity	Cost per	Total Cost
Paramedic Salary	12	\$71,166.24	\$853,994.88
EMS Coordinator	1	\$78,500.00	\$78,500.00
Clerical Staff	1	\$45,495.00	\$45,495.00
Personal Protective Equipment			
Turnouts/Helmets/Gloves	6	\$1,800.00	\$10,800.00
Uniforms	6	\$300.00	\$1,800.00
Vehicle & Equipment			
Ambulance: Type III E450	1	\$72,900.00	\$72,900.00
Cell Phone	1	\$35.00	\$35.00
ALS/BLS Equipment	1	\$21,412.00	\$21,412.00
Radios	1	\$11,000.00	\$11,000.00
SCBA's (2 per Ambulance)	2	\$6,000.00	\$12,000.00
Operational Cost			
Fuel	2	\$5,248.00	\$10,496.00
Maintenance	2	\$5,485.00	\$10,970.00
County Ambulance Permit	2	\$480.00	\$960.00
Medical Supplies (3,650 Transports)	2	\$10/transport	\$36,500.00
Oxygen	2	\$1,013.00	\$2,026.00
Annual Cell Phone Service	2	\$240.00	\$480.00
Paramedic License Fee	12	\$130.00	\$1,560.00
Misc.			
Office Equipment			\$0.00
Station Equipment			\$2,600.00
Billing Expense (7% of Net Collections of \$1,173,831.21)			\$82,168.18
Total Expenses			\$1,255,697.06

Assumptions:

Maintain original ambulance and implement second ambulance and crew,
Average 5 transports per day per unit.

Lodi Fire Department

Personnel	Quantity	Cost per	Total Cost
Paramedic Salary	15	\$71,166.24	\$1,067,493.60
EMS Coordinator	1	\$78,500.00	\$78,500.00
Clerical Staff	1	\$45,495.00	\$45,495.00
Personal Protective Equipment			
Turnouts/Helmets/Gloves	3	\$1,800.00	\$5,400.00
Uniforms	3	\$300.00	\$900.00
Vehicle & Equipment			
Ambulance: Type III E450	1	\$72,900.00	\$72,900.00
Cell Phone	1	\$35.00	\$35.00
ALS/BLS Equipment	1	\$21,412.00	\$21,412.00
Radios	1	\$11,000.00	\$11,000.00
SCBA's (2 per Ambulance)	2	\$6,000.00	\$12,000.00
Operational Cost			
Fuel	3	\$5,248.00	\$15,744.00
Maintenance	3	\$5,485.00	\$16,455.00
County Ambulance Permit	3	\$480.00	\$1,440.00
Medical Supplies (3,741 Transports)	3	\$10/transport	\$37,410.00
Oxygen	3	\$1,013.00	\$3,039.00
Annual Cell Phone Service	3	\$240.00	\$720.00
Paramedic License Fee	15	\$130.00	\$1,950.00
Misc.			
Office Equipment			\$0.00
Billing Expense (7% of Net Collections of \$1,165,783.53)			\$81,604.85
Total Expenses			\$1,473,498.45

Assumptions:

- Two full time units. Hire additional 3 paramedics and purchase reserve ambulance.
- Estimating 2.5% increase in call volume.

Lodi Fire Department

Year 6 Revenue Projection

Net Revenue	\$1,165,783.53
Gross Billing	\$2,328,398.40

Gross Collection Rate	50%
Net Collection Rate	72%

Transport Volume:		3,741	
Non-Billable: 8%		299	
Total Billable Volume:		3,442	

Payer Mix:

Medicare	38%	1,308	
MediCal	21%	723	
Insurance	28%	964	
Self Pay	13%	447	
		3,442	

Estimated Fee Schedule

	Rate	Usage	Weighted Average
ALS	\$580.00	52%	\$301.60
BLS	\$395.00	48%	\$189.60
Night Charge	\$61.00	40%	\$24.40
Oxygen	\$46.00	50%	\$23.00
Mileage (6 miles @ \$12.30 per)	\$73.80	100%	\$73.80
Nonreusable supplies	\$10.00	100%	\$10.00
			\$622.40

	Reimbursement Rate	Reimbursement per bill	Volume	Cash Receipt
<u>Cash Receipts</u>				
Medicare		\$318.59	1,308	\$416,669.08
MediCal		\$132.50	723	\$95,765.86
Insurance	95%	\$591.28	964	\$569,805.66
Self Pay	30%	\$186.72	447	\$83,542.93
				\$1,165,783.53

Assumptions:

- Transport volume 3,741 (Estimating 2.5% increase per Fire Department)
- Average transport is 6 miles. (Provided by Lodi Fire Department)
- Medicare reimbursement is based on fourth year implementation of New Medicare Fee Schedule (20% old allowable / 80% new allowable)
- Payer mix based on hospital data (Provided by Lodi Fire Department)
- Rates are based on County allowable Fee Schedule.
- ALS/BLS mix based on demographic area.

Net Collection Calculation:

Gross Billing			\$2,328,398.40
Less Statutory Adjustments:			
	Medicare	\$361,111.46	
	MediCal	\$354,080.71	\$715,192.17
Adjusted Gross Billing			<u>\$1,613,206.23</u>
Total Cash Receipts			\$1,165,783.53

72%

DRAFT

RESOLUTION NO. 2002-____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE CITY OF LODI FIRE DEPARTMENT
PARAMEDIC BUSINESS PLAN (AMBULANCE
TRANSPORTATION PROGRAM)

=====

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council does hereby approve the Lodi Fire Department Paramedic Business Plan, thus allowing the City of Lodi to provide paramedic services to the community and implement an emergency transportation program.

Dated: September 18, 2002

=====

I hereby certify that Resolution No. 2002-____ was passed and adopted by the Lodi City Council in a regular meeting held September 18, 2002 by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

SUSAN J. BLACKSTON
City Clerk

2002-____



1-2

RECEIVED
2002 SEP 16 AM 11:01
CITY CLERK
CITY OF LODI

September 9, 2002

The Honorable Mayor
& City Council Members
City Council of Lodi
City Hall
Lodi, California

Dear Council,

After much consideration and separate review by our Government Relations Committee and the Board of Directors, the Chamber Board is formally going on record in opposition to the current proposal to establish a City run ambulance service.

Our reasons for this position are not without recognition that the Lodi Fire Department is second to none and we are confident the department would operate an exemplary emergency transport service.

We find the plan to be unfavorable to private business, for which the Chamber stands. Those identifiable and defining needs, which would call for a City operated service have yet to be proven through our investigation or to our satisfaction. The "state of the market" for emergency transport, is driven by competition from other service providers as well as County government's control of the system under which transport must operate. This makes income truly unpredictable. Therefore, we believe this is an unnecessary risk of tax dollars.

We believe, it has not been satisfactorily proven the current provider American Medical Response, (AMR), has performed poorly, thus putting in jeopardy the citizenry and the employee workforce of Lodi. County Emergency Medical Service verifies AMR to be meeting or exceeding their mandated criteria and service levels.

If, in your minds this is about service, safety and protection... add paramedics to current firefighting equipment. If it is about a source of revenue, our Board is concerned about the dependability of a positive

cash flow from such a service. We believe the opportunity to recoup all associated costs providing emergency transport service is more determined by the number of providers in the market, County configuration of service and non-emergency transport billing contracts. Even expertly operated by our City Fire department personnel, considering these factors are out of Lodi's control, how can anyone, no matter how good, be confident of a profit?

If "breakeven" is not achieved, then City ambulances will be subsidized by tax dollars. Why risk entering a new business field with uncontrollable market determinants, if we do not have to?

In conclusion, if AMR has been negligent in their levels of service, then bring public pressure to bear. As our City Council, you are capable of galvanizing a community's focus as well that of the media's, to demand the people and businesses of Lodi be adequately protected at acceptable levels. We have not heard that degree of tenacious resoluteness from this Council, nor from the Fire Department, nor from the County Emergency Medical Services regarding AMR's service. Why?

We remain open to be supportive of other plans should they be developed.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat Patrick", written in a cursive style.

Pat Patrick
President / CEO

On behalf of The Lodi Chamber of Commerce
Board of Directors and its' 660 member businesses.

filed 9-18-02



975 S. Fairmont Avenue • P.O. Box 3004 • Lodi, California 95241 • 209/334-3411 • 209/368-3745 (fax)

Via Facsimile

September 17, 2002

Mike Pretz, Chief
Lodi Fire Department
217 West Elm Street
Lodi, CA 95240

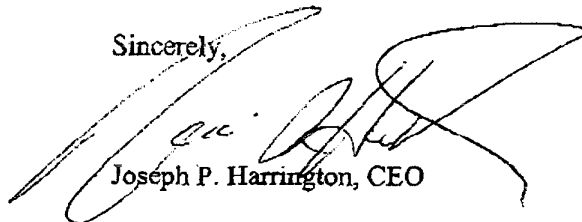
Dear Chief Pretz;

This letter will represent Lodi Memorial Hospitals support of improving the ambulance services in the Lodi area. As you know, Lodi Memorial Hospital has experienced significant growth in the number of ambulance arrivals to our Emergency room over the past few years. The increase in arrivals was 15% greater for 2001 compared to 2000 and averaged 13 per day for 2001. The increase has only been 2% for the first six months of 2002, yet this growth is substantial and challenges our resources to provide good quality care.

Although the increases in ambulance arrivals are not solely from the Lodi area, all of the ambulance stations that bring patients to us have increased. As we plan for our future, we anticipate that this increase in ambulance arrivals will continue.

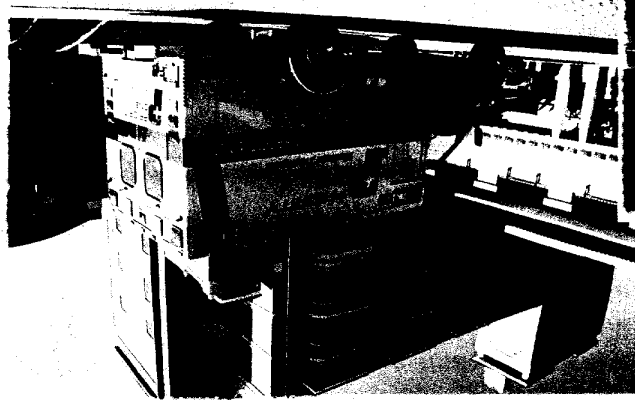
We are not in a position to determine the economic impact of another ambulance service in the Lodi area, but would be supportive of any move to increase the response time and quality of care delivered to Lodi residents. I trust that our City Council will give your proposal sufficient thought and make the appropriate decision for the Lodi community.

Sincerely,



Joseph P. Harrington, CEO

PRIORITY ONE



Medical Transport

PRIORITY ONE



2018-10-10

A Dedication to Service

Priority One Medical
Transport is committed to
providing a safe and
secure environment
while attending to the
special needs of our
patients in a caring, kind,
and professional manor.
It's this commitment to
excellence that makes
Priority One Medical
Transport the leader in
the Medical Transport
Industry.



Our Keys to Professionalism

Priority One Medical Transport was founded by Michael D. Parker, President and Carol A. Schill, Executive Vice President. Both are former Sheriff's Deputies who studied at California Southern Law School and obtained their certificates in Paralegal Studies.



Their dedication to service and professionalism has driven them to employ only the industry's finest workforce and use only state-of-the-art equipment. This philosophy allows our company to maintain a streamlined efficiency and gives us the ability to seamlessly integrate our systems with other existing medical authorities.

Response Excellence

Whether we're responding to your emergency or prescheduled call...Our Dedication to Response Excellence Exists. To promote this excellence, we utilize a state-of-the-art dispatch communications system. This system allows us to monitor all internal communications systems within California. In the communications center, the National Association of Emergency Medical Dispatchers (NAEMD) trains each dispatcher and call taker. This training allows us to assist you with arranging an immediate triage of your critical patient. Our computer system allows us to accept your call within 30-45 seconds of the initial telephone contact as well as track the closest unit available to handle your call. In your facility, we have the capability of installing a "Red Line" which is a direct telephonic link to our communica-



tions center; this allows for an even faster transmission of your call information. In the field, every unit is deployed with a Mobil Data Transfer (MDT) computer system. This system allows a virtually instantaneous transmission of your call information directly to the unit facilitating a quick and effective response. Combine all of these essential elements, and you have one of the most proficient communications centers in the nation...Response Excellence!



A Quality and Diversity in Patient Care



Cost Efficiency

We understand the strict rules and regulations that our providers face under new managed care networks. As a result, we have committed ourselves to providing a very cost-effective means of patient transportation while maintaining a high standard of care. To this end, we deploy the newest ambulances and use only state-of-the-art equipment. Our Billing Division has been specially trained by the Nova Institute of Learning. This specialty training allows our billing and insurance specialists to be experts in the fields of Medicare, Medical, HMO, PPO and Workers' Compensation issues. You can rest assured that we are committed to handle the reimbursement of your patient's transportation requirements.

From the EMT-B to our Medical Director, everyone plays an integral role in our commitment to quality and diversity in patient care. Our unsurpassed services in the realm of Basic Life Support, Advanced Life Support, Paramedic Support and Neonatal Transport Services provide an excellent basis for this quality and diversity that we strive to maintain. Our Chief Medical Director, Dr. Milton A. Miller, M.D. oversees the Clinical Care Inter-facility transports and offers clinical expertise as both an E.N.T. and E.R. Physician. All Registered Nurses have at least their Bachelor of Science in Nursing degree and bring years of Critical Care intervention experience on board the ambulance. To promote a high standard of care, the county or state certifies all of our EMT's. Many of these EMT's back their expertise with college degrees and can provide yet another level of understanding and communication with providers.



Range of Services

Our commitment to quality and community is clearly displayed by the diversity of services we offer:

- Emergency and Non-Emergency Ambulance Transportation
- Critical Care Transportation
- Neonatal Transportation
- Paramedic/ALS Services
- Disaster Readiness/Response
- S.M.A.R.T. Specialized Medical Assessment Response Team
- B.E.A.T. Bicycle Emergency Assessment Team
- 24-hour EMD certified Communications Center
- 24-hour Specialized Billing and Insurance Personnel
- On-site provider and community First-Aid and CPR Training
- Wheelchair Transportation Services
- Provider Contract Services

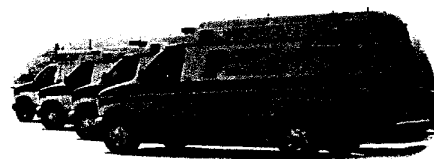


Message from the President

Priority One understands the needs of our patients and their providers. We also understand that in this highly competitive ambulance industry, you have a choice; a choice to use an ambulance company that can meet your needs. As the President of this company, I am dedicated to making sure Priority One is that company.

"Thank You For Choosing Priority One."

Michael D. Parker





San Joaquin

Emergency Medical Services Agency

A Division of Health Care Services

APPLICATION FOR LICENSE TO OPERATE

CHECK ONE

☒ Emergency Ambulance Permit (Fill out complete application.)

☐ Non-Emergency Ambulance Permit (Fill out only those items marked with one asterisk *)

A change in any item requested on this application must be reported to the Emergency Medical Services Agency within ten (10) days. Item A6 and D1, marked with double asterisks **, must be reported immediately.

A. TYPE OF APPLICATION

Initial ☒

Renewal ☐

Change of Ownership ☐

*1. COMPANY NAME

PRIORITY ONE MEDICAL TRANSPORT.

DBA (doing business as)

*2. MAILING ADDRESS

8540 ARCHIBALD AVE. #180 RANCHO CERRITOS, CA 91730

Street (PO Box)

City

State

Zip

*3. LEGAL OWNER (person, firm, company, association, or corporation)

MICHAEL PARKER

*4. SERVICE ADDRESS (for each zone of application)

Zone

ALS BLS

Address

Cross Street

1, 2, 3 ALS / BLS (PENDING LIC)

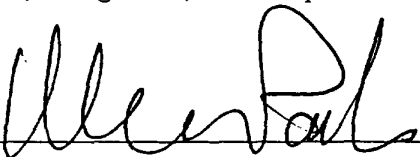
4, 5 ALS / BLS (PENDING LIC)

P. O. Box 1020 • Stockton, California 95201 • 209-468-6818

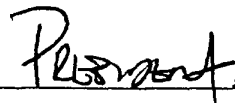
- b. All policies shall contain a provision requiring a thirty (30) day notice to be given to the Permit Officer prior to cancellation, modification, or reduction of limits.
 - c. All insurance policies shall contain an endorsement naming the County and the cities which have adopted this ordinance and in which the permittee provides services as an additional insured. Such policy shall provide that the County and the affected cities are indemnified, defended, and held harmless from and against all costs, expenses, and liability arising out of, or based upon, all property damage, or damages for personal injuries, including death, which results or is claimed to have resulted from any act or omission on the part of ambulance provider or ambulance provider's agents or employees.
 - d. Indication of Workman's Compensation Insurance for all employees.
- *5. A list of the Company's charges for all ALS and BLS service and the rate structure of the Company.
 - *6. A description of the training and orientation program for all attendants, dispatchers and drivers.
 - *7. The Company's financial statement, prepared by a Certified Public Accountant, for the previous fiscal year. (Financial Information will remain confidential).
 - *8. List of ambulances to be issued vehicle permits. Appendix B
 - *9. List of ambulance personnel. Appendix C
- E. It is agreed that the licensed activity will be conducted in compliance with all applicable laws and regulations. It is understood that violation of any law or regulation adopted by the State of California or the County of San Joaquin pertaining thereto may result in the filing of a criminal action in a court of law or the filing of an administrative action to suspend or revoke the license. It is also understood that misrepresentation of a material fact in conjunction with this application constitutes grounds for denial or revocation of the license.

As Authorized Representative (Applicant) for the Company, I agree to the above statements and have provided the attachments necessary for completion of the application. I also hereby authorize the release of information for investigation to the San Joaquin County Emergency Medical Services Agency pertaining to the operation, background, and compliance in policy, procedure, or regulation of the Company.

Signature



Title



Printed Name

Michael D. Parker

Date

3/19/02.